ank=20250710;20250711108808

FASTSTÄLLELSEINTYG TILL ÅRSREDOVISNING

Intyg om att balansräkningen och resultaträkningen har fastställts

Undertecknad styrelseledamot i Gambro Aktiebolag, org.nr 556041-8005, intygar, dels att denna kopia av årsredovisningen stämmer överens med originalet, dels att resultaträkningen och balansräkningen har fastställts på årsstämma den 30 juni 2025. Årsstämman beslutade att godkänna styrelsens förslag till hur resultatet ska disponeras.

Lund den 30 Juni 2025

Maria Kling

Docusign Envelope ID: F931A7CD-E961-4F53-A096-8E84EFE11AC6

ank=20250711087967

Årsredovisning

för

Gambro Aktiebolag

556041-8005

Räkenskapsåret

2024

Docusign Envelope ID: F931A7CD-E961-4F53-A096-8E84EFE11AC6

Styrelsen för Gambro Aktiebolag avger följande årsredovisning för räkenskapsåret 2024.

Årsredovisningen är upprättad i svenska kronor, SEK. Om inte annat särskilt anges, redovisas alla belopp i miljontals kronor (Mkr). Uppgifter inom parentes avser föregående år.

Förvaltningsberättelse

Information om verksamheten

Bolagets verksamhet utgörs av att direkt eller indirekt, äga och förvalta aktier och andelar i dotterbolagen.

Företaget har sitt säte i Lund.

Väsentliga händelser under räkenskapsåret

Under 2024, erhöll Gambro AB utdelning från TH Scheele (489 tkr).

Under året har bolaget lämnat sakutdelningar i form av en reversfordran och andelar i koncernföretag samt sålt sina andelar i Baxter Canada.

Gambro AB har erhållit koncernbidrag om 330 mkr från Gambro Lundia AB.

Väsentliga händelser efter räkenskapsårets slut

Efter räkenskapsårets utgång, den 1 februari 2025, sålde Baxter International Inc. den del av koncernen som tillhör Vantive Kidney Care till The Carlyle Group. För bolaget, som ingår i Vantive Kidney Care, har detta inte inneburit någon förändring i den lokala organisationsstrukturen eller i den dagliga verksamheten.

Moderbolag inom Vantivekoncernen är Vantive Health LLC.

I april 2025 fick Gambro AB en utdelning från dotterbolaget TH Scheele.

Det finns inga andra väsentliga händelser att rapportera om efter räkenskapsårets utgång.

Ägarförhållanden

Gambro AB är helägt av Indap Holding AB (556680-3879) som ägs av Gambro Lundia AB (556057-7594). Gambro AB ingår i Baxterkoncernen med huvudkontor i Deerfield, USA. Moderbolaget är Baxter International Inc.

Docusign Envelope ID: F931A7CD-E961-4F53-A096-8E84EFE11AC6

ank=20250710-20250711108797

Flerårsöversikt (Mkr)	**2024**	**2023**	**2022**	**2021**	**2020**
Rörelseresultat	0	0	0	0	0
Årets resultat	953	1 059	439	729	413
Eget kapital	3 760	3 697	2 638	2 199	1 470
Balansomslutning	3 965	3 893	2 835	2 310	2 386

Förslag till vinstdisposition

Styrelsen föreslår att till förfogande stående vinstmedel (kronor):

balanserad vinst	1 971 576 911
årets vinst	953 123 078
	2 924 699 989
disponeras så att	
i ny räkning överföres	2 924 699 989
	2 924 699 989

Företagets resultat och ställning i övrigt framgår av efterföljande resultat- och balansräkning med noter.

Docusign Envelope ID: F931A7CD-E961-4F53-A096-8E84EFE11AC6

Resultaträkning
Mkr

	Not	2024-01-01 -2024-12-31	2023-01-01 -2023-12-31
Rörelsens kostnader			
		0	**0**
Rörelseresultat	2, 3, 4	**0**	**0**
Resultat från finansiella poster			
Resultat från andelar i koncernföretag	5	682	136
Övriga ränteintäkter och liknande resultatposter	6	11	12
Räntekostnader och liknande resultatposter	7	0	-9
		693	**140**
Resultat efter finansiella poster		**693**	**140**
Bokslutsdispositioner	8	330	1 162
Resultat före skatt		**1 023**	**1 301**
Skatt på årets resultat	9	-70	-242
Årets resultat		**953**	**1 059**

Docusign Envelope ID: F931A7CD-E961-4F53-A096-8E84EFE11AC6

Balansräkning

Mkr

	Not	2024-12-31	2023-12-31
TILLGÅNGAR			
Anläggningstillgångar			
Finansiella anläggningstillgångar			
Andelar i koncernföretag	10, 11	1 260	1 457
Andelar i intresseföretag och gemensamt styrda företag	12, 13	9	9
Uppskjuten skattefordran	14	295	365
		1 564	**1 831**
Summa anläggningstillgångar		**1 564**	**1 831**
Omsättningstillgångar			
Kortfristiga fordringar			
Fordringar hos koncernföretag	15	2 401	2 061
		2 401	**2 061**
Kassa och bank		0	1
Summa omsättningstillgångar		**2 401**	**2 062**
SUMMA TILLGÅNGAR		**3 965**	**3 893**

ank=20250710;20250711108798

Docusign Envelope ID: F931A7CD-E961-4F53-A096-8E84EFE11AC6

Balansräkning

Mkr

	Not	2024-12-31	2023-12-31
EGET KAPITAL OCH SKULDER			
Eget kapital	16, 17		
Bundet eget kapital			
Aktiekapital		345	345
Reservfond		490	490
		835	**835**
Fritt eget kapital			
Balanserad vinst eller förlust		1 972	1 803
Årets resultat		953	1 059
		2 925	**2 862**
Summa eget kapital		**3 760**	**3 697**
Kortfristiga skulder			
Skulder till koncernföretag	18	205	196
Summa kortfristiga skulder		**205**	**196**
SUMMA EGET KAPITAL OCH SKULDER		**3 965**	**3 893**

Docusign Envelope ID: F931A7CD-E961-4F53-A096-8E84EFE11AC6

ank=20250710-20250711108799

Rapport över förändringar i eget kapital

Mkr

	Aktie-kapital	Reserv-fond	Balanserat resultat	Summa eget kapital
Ingående eget kapital 2023-01-01	**345**	**490**	**1 803**	**2 638**
Årets resultat			1 059	1 059
Utgående eget kapital 2023-12-31	**345**	**490**	**2 862**	**3 697**
Ingående eget kapital 2024-01-01	**345**	**490**	**2 862**	**3 697**
Utdelning			-891	-891
Årets resultat			953	953
Utgående eget kapital 2024-12-31	**345**	**490**	**2 925**	**3 760**

Docusign Envelope ID: F931A7CD-E961-4F53-A096-8E84EFE11AC6

Noter

Mkr

Not 1 Redovisnings- och värderingsprinciper

Allmänna upplysningar

Årsredovisningen är upprättad i enlighet med årsredovisningslagen och BFNAR 2012:1 Årsredovisning och koncernredovisning (K3).

Fordringar och skulder i utländsk valuta har värderats till balansdagens kurs. Kursvinster och kursförluster på rörelsefordringar och rörelseskulder redovisas i rörelseresultatet medan kursvinster och kursförluster på finansiella fordringar och skulder redovisas som finansiella poster. Transaktioner i utländsk valuta omräknas enligt månadens transaktionskurs.

Redovisningsprinciperna är oförändrade jämfört med föregående år.

Finansiella instrument

Andelar i dotterföretag

Andelar i dotterföretag redovisas till anskaffningsvärde efter avdrag för eventuella nedskrivningar. I anskaffningsvärdet ingår köpeskillingen som erlagts för aktierna samt förvärvskostnader. Eventuella kapitaltillskott läggs till anskaffningsvärdet när de uppkommer.

Intresseföretag

Som intresseföretag betraktas de företag som inte är dotterföretag men där Gambro AB direkt eller indirekt innehar minst 20% av rösterna för samtliga andelar, eller på annat sätt har ett betydande inflytande. Andelar i intresseföretag redovisas till anskaffningsvärde med avdrag för eventuella nedskrivningar.

Kundfordringar/kortfristiga fordringar

Kundfordringar och kortfristiga fordringar redovisas som omsättningstillgångar till det belopp som förväntas bli inbetalt efter avdrag för individuellt bedömda osäkra fordringar.

Låneskulder och leverantörsskulder

Låneskulder och leverantörsskulder redovisas initialt till anskaffningsvärde efter avdrag för transaktionskostnader. Skiljer sig det redovisade beloppet från det belopp som ska återbetalas vid förfallotidpunkten periodiseras mellanskillnaden som räntekostnad över lånets löptid med hjälp av instrumentets effektivränta. Härigenom överensstämmer vid förfallotidpunkten det redovisade beloppet och det belopp som ska återbetalas.

Kvittning av finansiell fordran och finansiell skuld

En finansiell tillgång och en finansiell skuld kvittas och redovisas med ett nettobelopp i balansräkningen endast då legal kvittningsrätt föreligger samt då en reglering med ett nettobelopp avses ske eller då en samtida avyttring av tillgången och reglering av skulden avses ske.

Nedskrivningsprövning av finansiella anläggningstillgångar

Vid varje balansdag bedöms om det finns indikationer på nedskrivningsbehov av någon av de finansiella anläggningstillgångarna. Nedskrivning sker om värdenedgången bedöms vara bestående och prövas individuellt.

Docusign Envelope ID: F931A7CD-E961-4F53-A096-8E84EFE11AC6

ank=20250710-20250711108800

Inkomstskatter

Total skatt utgörs av aktuell skatt och uppskjuten skatt. Skatter redovisas i resultaträkningen, utom då underliggande transaktion redovisas direkt mot eget kapital varvid tillhörande skatteeffekter redovisas i eget kapital.

Aktuell skatt

Aktuell skatt avser inkomstskatt för innevarande räkenskapsår samt den del av tidigare räkenskapsårs inkomstskatt som ännu inte redovisats. Aktuell skatt beräknas utifrån den skattesats som gäller per balansdagen.

Uppskjuten skatt

Uppskjuten skatt är inkomstskatt som avser framtida räkenskapsår till följd av tidigare händelser. Redovisning sker enligt balansräkningsmetoden. Enligt denna metod redovisas uppskjutna skatteskulder och uppskjutna skattefordringar på temporära skillnader som uppstår mellan bokförda respektive skattemässiga värden för tillgångar och skulder samt för övriga skattemässiga avdrag eller underskott.

Uppskjutna skattefordringar nettoredovisas mot uppskjutna skatteskulder endast om de kan betalas med ett nettobelopp. Uppskjuten skatt beräknas utifrån gällande skattesats på balansdagen. Effekter av förändringar i gällande skattesatser resultatförs i den period förändringen lagstadgats. Uppskjuten skattefordran redovisas som finansiell anläggningstillgång och uppskjuten skatteskuld som avsättning.

Uppskjuten skattefordran avseende underskottsavdrag eller andra framtida skattemässiga avdrag redovisas i den omfattning det är sannolikt att avdragen kan avräknas mot framtida skattemässiga överskott.

På grund av sambandet mellan redovisning och beskattning särredovisas inte den uppskjutna skatteskulden som är hänförlig till obeskattade reserver.

Koncernbidrag

Erhållna och lämnade koncernbidrag redovisas som bokslutsdispositioner.

Koncernförhållanden

Företaget är moderföretag men med hänvisning till undantagsreglerna i årsredovisningslagen 7 kap 2§ upprättas ingen egen koncernredovisning.

Gambro AB är under 2024 ett helägt dotterföretag till Indap Holding AB, org.nr. 556680-3879 med säte i Lund. Indap Holding AB ingår i den koncern där Baxter International Inc. org.nr 36-0781620, registrerat i Delaware med huvudkontor i Deerfield, Illinois, USA, upprättar koncernredovisning för den största koncernen.

Det utländska moderföretagets koncernredovisning finns att tillgå hos Baxter International Inc. One Baxter Parkway, Deerfield, Illinois, USA.

Uppskattningar och bedömningar

Upprättandet av bokslut och tillämpning av redovisningsprinciper, baseras ofta på ledningens bedömningar, uppskattningar och antaganden som anses vara rimliga vid den tidpunkt då bedömningen görs. Uppskattningar och bedömningar är baserade på historiska erfarenheter och ett antal andra faktorer, som under rådande omständigheter anses vara rimliga. Resultatet av dessa används för att bedöma de redovisade värdena på tillgångar och skulder, som inte annars framgår tydligt från andra källor. Det verkliga utfallet kan avvika från dessa uppskattningar och bedömningar. Uppskattningar och antaganden ses över regelbundet.

Docusign Envelope ID: F931A7CD-E961-4F53-A096-8E84EFE11AC6

Uppskjuten skatt avser skatt på aktiverade underskottsavdrag på årets och tidigare års skattemässiga underskott. Företagsledningen gör bedömningen att det är sannolikt att avdraget kan avräknas mot överskott vid framtida beskattning genom koncernbidrag.

Not 2 Inköp och försäljning mellan koncernföretag

Under året har inga koncerninterna inköp eller försäljningar ägt rum.

Not 3 Anställda och personalkostnader

Bolaget har inte haft några anställda och några löner har ej utbetalats.

Könsfördelning bland ledande befattningshavare		
Andel kvinnor i styrelsen	50 %	33 %
Andel män i styrelsen	50 %	67 %

Not 4 Arvode till revisorer

Revisionskostnader bärs av Gambro Lundia AB.

Not 5 Resultat från andelar i koncernföretag

	2024	**2023**
Erhållna utdelningar	0	136
Resultat vid avyttringar	682	0
	682	**136**

Not 6 Övriga ränteintäkter och liknande resultatposter

	2024	**2023**
Ränteintäkter från koncernföretag	8	6
Kursdifferenser	0	6
	8	**12**

Not 7 Räntekostnader och liknande resultatposter

	2024	**2023**
Kursdifferenser	0	-9
	0	**-9**

Not 8 Bokslutsdispositioner

	2024	**2023**
Erhållet koncernbidrag	330	1 162
	330	**1 162**

Docusign Envelope ID: F931A7CD-E961-4F53-A096-8E84EFE11AC6

ank=20250710;20250711108801

Not 9 Aktuell och uppskjuten skatt

	2024	2023
Skatt på årets resultat		
Förändring av uppskjuten skatt	-70	-242
Totalt redovisad skatt	**-70**	**-242**

Uppskjuten skatt avser skatt på aktiverade underskottsavdrag på årets och tidigare års skattemässiga underskott.

Avstämning av effektiv skatt

		2024		2023
	Procent	**Belopp**	**Procent**	**Belopp**
Redovisat resultat före skatt		1 023		1 301
Skatt enligt gällande skattesats	20,60	-211	20,60	-268
Ej avdragsgilla kostnader		0		-2
Ej skattepliktiga intäkter		141		0
Under året utnyttjande av tidigare års underskottsavdrag som redovisats som tillgång		70		230
Skatteeffekt av förändring av skattemässigt underskott		-70		-230
Skatteeffekt av resultat från andelar i koncernföretag		0		28
Redovisad effektiv skatt	**6,82**	**-70**	**18,58**	**-242**

Docusign Envelope ID: F931A7CD-E961-4F53-A096-8E84EFE11AC6

Not 10 Andelar i koncernföretag

	2024-12-31	2023-12-31
Ingående anskaffningsvärden	6 602	6 602
Inköp	12	0
Försäljningar, utrangering	-209	0
Utgående ackumulerade anskaffningsvärden	**6 405**	**6 602**
Ingående nedskrivningar	-5 145	-5 145
Utgående ackumulerade nedskrivningar	**-5 145**	**-5 145**
Utgående redovisat värde	**1 260**	**1 457**

Not 11 Specifikation andelar i koncernföretag

Namn	Kapital-andel	Rösträtts-andel	Antal andelar	Bokfört värde 2024-12-31	Bokfört värde 2023-12-31
Incentive AB	100	100	1 000	0	0
Gambro Fastighet AB	100	100	160 000	197	197
Baxter Corporation	16	16	197	0	138
Gambro Dasco SpA	100	100	174 000	997	997
Gambro Medical Sales (Shanghai) Co Ltd	100	100	1	0	0
Gambro (Shanghai) Trading Co Ltd	100	100	1	1	1
Gambro Medical Products Co Ltd	100	100	1	43	43
Gambro Renal Products SA de CV	100	100	278 209	11	11
Baxter Turkey Renal	0	0	0	0	71
Vantive Canada	16	16	197	12	0
				1 260	**1 457**

	Org.nr	Säte/Land
Incentive AB	556369-3109	Lund
Gambro Fastighet AB	556020-8505	Lund
Baxter Corporation	1508236	Kanada
Gambro Dasco SpA	00182680363	Italien
Gambro Medical Sales (Shanghai) Co Ltd	310115400070023	Kina
Gambro (Shanghai) Trading Co Ltd	310115400261983	Kina
Gambro Medical Products Co Ltd	310000400090870	Kina
Gambro Renal Products SA de CV	GRP0007266W7	Mexiko
Vantive Canada	741717813	Kanada

Docusign Envelope ID: F931A7CD-E961-4F53-A096-8E84EFE11AC6

ank=20250710;20250711108802

Not 12 Andelar i intresseföretag och gemensamt styrda företag

	2024-12-31	2023-12-31
Ingående anskaffningsvärden	9	9
Utgående ackumulerade anskaffningsvärden	**9**	**9**
Utgående redovisat värde	**9**	**9**

Not 13 Specifikation andelar i intresseföretag och gemensamt styrda företag

Namn	Kapital-andel	Rösträtts-andel	Antal andelar	Bokfört värde
AB Th. Schéle	31	31	1 224	7
Drumheid AB	13	13		0
Harare Haemodialysis Centre (Private) Limited	49	49		2
				9

	Org.nr	Säte/Land
AB Th. Schéle	556020-9495	Sverige
Drumheid AB	556191-7823	Sverige
Harare Haemodialysis Centre (Private) Limited		Zimbabwe

Not 14 Uppskjuten skattefordran

	2024-12-31	2023-12-31
Underskottsavdrag	295	365
	295	**365**

Not 15 Fordringar hos koncernföretag

	2024-12-31	2023-12-31
Fordringar hos koncernföretag	2 401	2 061
	2 401	**2 061**

Av fordringar hos koncernföretag har 2 401 (2 061) löpt utan ränta.

Not 16 Antal aktier och kvotvärde

Namn	Antal aktier	Kvot-värde
Antal A-Aktier	250 574 090	1
Antal B-Aktier	94 079 198	1
	344 653 288	

Docusign Envelope ID: F931A7CD-E961-4F53-A096-8E84EFE11AC6

Not 17 Disposition av vinst eller förlust

	2024-12-31
Förslag till vinstdisposition	
Styrelsen föreslår att till förfogande stående vinstmedel:	
balanserad vinst	1 972
årets vinst	953
	2 925
disponeras så att	
i ny räkning överföres	2 925
	2 925

Not 18 Skulder till koncernföretag

	2024-12-31	2023-12-31
Skulder till koncernföretag	205	196
	205	**196**

Av skulder till koncernföretag har 205 (196) löpt utan ränta.

Docusign Envelope ID: F931A7CD-E961-4F53-A096-8E84EFE11AC6

ank=20250710;20250711108803

Not 19 Väsentliga händelser efter räkenskapsårets slut

Efter räkenskapsårets utgång, den 1 februari 2025, sålde Baxter International Inc. den del av koncernen som tillhör Vantive Kidney Care till The Carlyle Group. För bolaget, som ingår i Vantive Kidney Care, har detta inte inneburit någon förändring i den lokala organisationsstrukturen eller i den dagliga verksamheten.

Moderbolag inom Vantivekoncernen är Vantive Health LLC.

I april 2025 fick Gambro AB en utdelning från dotterbolaget TH Scheele.

Det finns inga andra väsentliga händelser att rapportera om efter räkenskapsårets utgång.

Lund den dag som framgår av respektive befattningshavares elektroniska underskrift

Signed by:
Björn Åslund
A1C15660300443B...
Björn Åslund
Ordförande

Signed by:
Ewa Gorna Babiker
6AA6B98B5EA546E...
Ewa Gorna-Babiker

Signed by:
Maria Kling
06B80A3A715641C...
Maria Kling

Signed by:
Mark McGuire
2D7B1E2D3AE04EA...
Mark McGuire

Vår revisionsberättelse har lämnats den dag som framgår av vår elektroniska underskrift

Öhrlings PricewaterhouseCoopers AB

Signed by:
Eric Salander
4EE48D6FF6CB4AA...
Eric Salander
Auktoriserad revisor

ank=20250710-20250711008804

docusign

Certificate Of Completion

Envelope Id: F931A7CD-E961-4F53-A096-8E84EFE11AC6
Status: Completed
Subject: Annual accounts Gambro Aktiebolag for signature
Source Envelope:
Document Pages: 15
Signatures: 5
Certificate Pages: 7
Initials: 0
AutoNav: Enabled
EnvelopeId Stamping: Enabled
Time Zone: (UTC+01:00) Amsterdam, Berlin, Bern, Rome, Stockholm, Vienna

Envelope Originator:
Per Gyllenhammar-Hoppe
Aleksanterinkatu 11
Helsinki, Uusimaa 00100
per.gyllenhammar.hoppe@fondia.com
IP Address: 195.67.60.6

Record Tracking

Status: Original
6/30/2025 11:36:30 AM
Holder: Per Gyllenhammar-Hoppe
per.gyllenhammar.hoppe@fondia.com
Location: DocuSign

Signer Events

Björn Åslund
bjorn.aslund@vantive.com
Security Level: Email, Account Authentication (None), Digital Certificate

Signature Provider Details:
Signature Type: DocuSign Protect & Sign (Client ID: dde5e85d-4085-40b6-8785-da3ccd16d81e)
Signature Issuer: DocuSign Cloud Signing CA - SI1

Signature

Signed by:
Björn Åslund
A1C156603004438 ..

Signature Adoption: Pre-selected Style
Using IP Address: 147.161.189.100

Signature Provider Location: https://ps-ws.dsf.docusign.net/ds-server/s/noauth/psm/tsp/sign/psm-docusign/2PSIGAES/SERVID02

Timestamp

Sent: 6/30/2025 11:52:23 AM
Viewed: 6/30/2025 12:33:10 PM
Signed: 6/30/2025 12:46:25 PM

Authentication Details
Identity Verification Details:
Workflow ID: 6b2d3c20-6e49-4c91-b1d1-5bd580d827b6
Workflow Name: DocuSign ID Verification for EU Advanced
Workflow Description: The recipient will need to identify themselves with a valid government ID.
Identification Method: Electronic ID
Type of Electronic ID: BankID Sweden
Transaction Unique ID: 41027e0a-d678-5d67-8384-b058678af1fd
Country or Region of ID: SE
Result: Passed
Performed: 6/30/2025 12:31:54 PM

Electronic Record and Signature Disclosure:
Accepted: 6/30/2025 12:33:10 PM
ID: c0873842-dbb2-4783-ac7f-e85a34fce3a9

Ewa Gorna Babiker
ewa.gorna.babiker@vantive.com
Security Level: Email, Account Authentication (None), Digital Certificate

Signature Provider Details:
Signature Type: DocuSign Protect & Sign (Client ID: dde5e85d-4085-40b6-8785-da3ccd16d81e)
Signature Issuer: DocuSign Cloud Signing CA - SI1

Signed by:
Ewa Gorna Babiker
6AA6B98B5EA546E ..

Signature Adoption: Pre-selected Style
Using IP Address: 165.225.207.56

Signature Provider Location: https://ps-ws.dsf.docusign.net/ds-server/s/noauth/psm/tsp/sign/psm-docusign/2PSIGAES/SERVID02

Sent: 6/30/2025 12:46:27 PM
Viewed: 6/30/2025 12:52:17 PM
Signed: 6/30/2025 12:52:40 PM

Authentication Details

Signer Events	Signature	Timestamp

Identity Verification Details:
Workflow ID: 6b2d3c20-6e49-4c91-b1d1-5bd580d827b6
Workflow Name: DocuSign ID Verification for EU Advanced
Workflow Description: The recipient will need to identify themselves with a valid government ID.
Identification Method: Government Issued Id Document
Type of Document: State ID / National ID
Identification Level: ID Only
Transaction Unique ID: 2716e75c-14f4-5648-9a68-fce4aa528cd0
Country or Region of ID: PL
Result: Passed
Performed: 6/30/2025 12:51:54 PM

Electronic Record and Signature Disclosure:
Accepted: 6/30/2025 12:52:17 PM
ID: b573d76b-edee-41e8-afdd-31bc14ddd40f

Maria Kling
maria.kling@vantive.com
Finance Manager
Security Level: Email, Account Authentication (None), Digital Certificate

Signed by: Maria Kling
06B80A3A715641C...

Signature Adoption: Pre-selected Style
Using IP Address: 147.161.151.101

Sent: 6/30/2025 12:52:42 PM
Viewed: 6/30/2025 1:00:14 PM
Signed: 6/30/2025 1:00:45 PM

Signature Provider Details:
Signature Type: DocuSign Protect & Sign (Client ID: dde5e85d-4085-40b6-8785-da3ccd16d81e)
Signature Issuer: DocuSign Cloud Signing CA - SI1
Signature Provider Location: https://ps-ws.dsf.docusign.net/ds-server/s/noauth/psm/tsp/sign/psm-docusign/2PSIGAES/SERVID02

Authentication Details
Identity Verification Details:
Workflow ID: 6b2d3c20-6e49-4c91-b1d1-5bd580d827b6
Workflow Name: DocuSign ID Verification for EU Advanced
Workflow Description: The recipient will need to identify themselves with a valid government ID.
Identification Method: Electronic ID
Type of Electronic ID: BankID Sweden
Transaction Unique ID: d8e79f01-f368-5a86-a25a-fb87cc5f86f9
Country or Region of ID: SE
Result: Passed
Performed: 6/30/2025 12:59:59 PM

Identity Verification Details:
Workflow ID: 6b2d3c20-6e49-4c91-b1d1-5bd580d827b6
Workflow Name: DocuSign ID Verification for EU Advanced
Workflow Description: The recipient will need to identify themselves with a valid government ID.
Identification Method: Electronic ID
Type of Electronic ID: BankID Sweden
Transaction Unique ID: 22750753-95e2-5422-8fed-1efa8584d525
Country or Region of ID: SE
Result: Passed
Performed: 6/30/2025 5:38:01 PM

Electronic Record and Signature Disclosure:
Accepted: 6/30/2025 1:00:14 PM
ID: ce861e2f-3ab3-4742-84ea-ff4585ce3b8d

Mark McGuire
mark.mcguire@vantive.com
Security Level: Email, Account Authentication (None), Digital Certificate

Signed by: Mark McGuire
2D7B1E2D3AE04EA...

Signature Adoption: Pre-selected Style
Using IP Address: 86.173.12.33

Sent: 6/30/2025 1:00:47 PM
Viewed: 6/30/2025 1:42:48 PM
Signed: 6/30/2025 1:43:03 PM

Signature Provider Details:
Signature Type: DocuSign Protect & Sign (Client ID: dde5e85d-4085-40b6-8785-da3ccd16d81e)
Signature Issuer: DocuSign Cloud Signing CA - SI1
Signature Provider Location: https://ps-ws.dsf.docusign.net/ds-server/s/noauth/psm/tsp/sign/psm-docusign/2PSIGAES/SERVID02

Authentication Details

ank=20250711088O5

Signer Events	Signature	Timestamp

Identity Verification Details:
Workflow ID: 6b2d3c20-6e49-4c91-b1d1-5bd580d827b6
Workflow Name: DocuSign ID Verification for EU Advanced
Workflow Description: The recipient will need to identify themselves with a valid government ID.
Identification Method: Government Issued Id Document
Type of Document: Driver's License
Identification Level: ID Only
Transaction Unique ID: 250a1b50-714c-5129-b513-46ceb0bf87c4
Country or Region of ID: GB
Result: Passed
Performed: 6/30/2025 1:42:25 PM

Electronic Record and Signature Disclosure:
Accepted: 6/30/2025 1:42:48 PM
ID: b8d95098-c95c-4031-ba6e-77c3c5c7d076

Eric Salander eric.salander@pwc.com Security Level: Email, Account Authentication (None), Digital Certificate	Signed by: Eric Salander 4EE48D6FF6CB4AA...	Sent: 6/30/2025 1:43:05 PM Resent: 6/30/2025 4:16:51 PM Viewed: 6/30/2025 4:31:47 PM Signed: 6/30/2025 4:32:12 PM

Signature Provider Details:
Signature Type: DocuSign Protect & Sign (Client ID: dde5e85d-4085-40b6-8785-da3ccd16d81e)
Signature Issuer: DocuSign Cloud Signing CA - SI1

Signature Adoption: Pre-selected Style
Using IP Address: 84.17.219.58

Signature Provider Location: https://ps-ws.dsf.docusign.net/ds-server/s/noauth/psm/tsp/sign/psm-docusign/2PSIGAES/SERVID02

Authentication Details
Identity Verification Details:
Workflow ID: 6b2d3c20-6e49-4c91-b1d1-5bd580d827b6
Workflow Name: DocuSign ID Verification for EU Advanced
Workflow Description: The recipient will need to identify themselves with a valid government ID.
Identification Method: Electronic ID
Type of Electronic ID: BankID Sweden
Transaction Unique ID: f9e012df-a571-5777-89d9-1f83ea3a25b6
Country or Region of ID: SE
Result: Passed
Performed: 6/30/2025 4:31:29 PM

Electronic Record and Signature Disclosure:
Accepted: 6/30/2025 4:31:47 PM
ID: 328e9795-c9dc-4cca-9068-04fc2351d24f

In Person Signer Events	Signature	Timestamp
Editor Delivery Events	**Status**	**Timestamp**
Agent Delivery Events	**Status**	**Timestamp**
Intermediary Delivery Events	**Status**	**Timestamp**
Certified Delivery Events	**Status**	**Timestamp**
Carbon Copy Events	**Status**	**Timestamp**
Witness Events	**Signature**	**Timestamp**
Notary Events	**Signature**	**Timestamp**

Envelope Summary Events	Status	Timestamps
Envelope Sent	Hashed/Encrypted	6/30/2025 11:52:23 AM
Certified Delivered	Security Checked	6/30/2025 4:31:47 PM
Signing Complete	Security Checked	6/30/2025 4:32:12 PM
Completed	Security Checked	6/30/2025 4:32:12 PM

Payment Events	Status	Timestamps
Electronic Record and Signature Disclosure		

ank=20250710;20250711088806

ELECTRONIC RECORD AND SIGNATURE DISCLOSURE

From time to time, Fondia (we, us or Company) may be required by law to provide to you certain written notices or disclosures. Described below are the terms and conditions for providing to you such notices and disclosures electronically through the DocuSign system. Please read the information below carefully and thoroughly, and if you can access this information electronically to your satisfaction and agree to this Electronic Record and Signature Disclosure (ERSD), please confirm your agreement by selecting the check-box next to 'I agree to use electronic records and signatures' before clicking 'CONTINUE' within the DocuSign system.

Getting paper copies

At any time, you may request from us a paper copy of any record provided or made available electronically to you by us. You will have the ability to download and print documents we send to you through the DocuSign system during and immediately after the signing session and, if you elect to create a DocuSign account, you may access the documents for a limited period of time (usually 30 days) after such documents are first sent to you. After such time, if you wish for us to send you paper copies of any such documents from our office to you, you will be charged a $0.00 per-page fee. You may request delivery of such paper copies from us by following the procedure described below.

Withdrawing your consent

If you decide to receive notices and disclosures from us electronically, you may at any time change your mind and tell us that thereafter you want to receive required notices and disclosures only in paper format. How you must inform us of your decision to receive future notices and disclosure in paper format and withdraw your consent to receive notices and disclosures electronically is described below.

Consequences of changing your mind

If you elect to receive required notices and disclosures only in paper format, it will slow the speed at which we can complete certain steps in transactions with you and delivering services to you because we will need first to send the required notices or disclosures to you in paper format, and then wait until we receive back from you your acknowledgment of your receipt of such paper notices or disclosures. Further, you will no longer be able to use the DocuSign system to receive required notices and consents electronically from us or to sign electronically documents from us.

All notices and disclosures will be sent to you electronically

Unless you tell us otherwise in accordance with the procedures described herein, we will provide electronically to you through the DocuSign system all required notices, disclosures, authorizations, acknowledgements, and other documents that are required to be provided or made available to you during the course of our relationship with you. To reduce the chance of you inadvertently not receiving any notice or disclosure, we prefer to provide all of the required notices and disclosures to you by the same method and to the same address that you have given us. Thus, you can receive all the disclosures and notices electronically or in paper format through the paper mail delivery system. If you do not agree with this process, please let us know as described below. Please also see the paragraph immediately above that describes the consequences of your electing not to receive delivery of the notices and disclosures electronically from us.

How to contact Fondia:

You may contact us to let us know of your changes as to how we may contact you electronically, to request paper copies of certain information from us, and to withdraw your prior consent to receive notices and disclosures electronically as follows:
To contact us by email send messages to: kaisa.immonen@fondia.com

To advise Fondia of your new email address

To let us know of a change in your email address where we should send notices and disclosures electronically to you, you must send an email message to us at kaisa.immonen@fondia.com and in the body of such request you must state: your previous email address, your new email address. We do not require any other information from you to change your email address.

If you created a DocuSign account, you may update it with your new email address through your account preferences.

To request paper copies from Fondia

To request delivery from us of paper copies of the notices and disclosures previously provided by us to you electronically, you must send us an email to kaisa.immonen@fondia.com and in the body of such request you must state your email address, full name, mailing address, and telephone number. We will bill you for any fees at that time, if any.

To withdraw your consent with Fondia

To inform us that you no longer wish to receive future notices and disclosures in electronic format you may:

ank=20250710;20250711108897

i. decline to sign a document from within your signing session, and on the subsequent page, select the check-box indicating you wish to withdraw your consent, or you may;

ii. send us an email to kaisa.immonen@fondia.com and in the body of such request you must state your email, full name, mailing address, and telephone number. We do not need any other information from you to withdraw consent.. The consequences of your withdrawing consent for online documents will be that transactions may take a longer time to process..

Required hardware and software

The minimum system requirements for using the DocuSign system may change over time. The current system requirements are found here: https://support.docusign.com/guides/signer-guide-signing-system-requirements.

Acknowledging your access and consent to receive and sign documents electronically

To confirm to us that you can access this information electronically, which will be similar to other electronic notices and disclosures that we will provide to you, please confirm that you have read this ERSD, and (i) that you are able to print on paper or electronically save this ERSD for your future reference and access; or (ii) that you are able to email this ERSD to an email address where you will be able to print on paper or save it for your future reference and access. Further, if you consent to receiving notices and disclosures exclusively in electronic format as described herein, then select the check-box next to 'I agree to use electronic records and signatures' before clicking 'CONTINUE' within the DocuSign system.

By selecting the check-box next to 'I agree to use electronic records and signatures', you confirm that:

- You can access and read this Electronic Record and Signature Disclosure; and
- You can print on paper this Electronic Record and Signature Disclosure, or save or send this Electronic Record and Disclosure to a location where you can print it, for future reference and access; and
- Until or unless you notify Fondia as described above, you consent to receive exclusively through electronic means all notices, disclosures, authorizations, acknowledgements, and other documents that are required to be provided or made available to you by Fondia during the course of your relationship with Fondia.

ank=20250711088810-20250711088810

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 10-K

(Mark One)

☑ ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the fiscal year ended December 31, 2024

OR

☐ TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from _____ to _____

Commission file number 1-4448

Baxter

Baxter International Inc.

(Exact Name of Registrant as Specified in its Charter)

Delaware	36-0781620
(State or Other Jurisdiction of Incorporation or Organization)	(I.R.S. Employer Identification No.)
One Baxter Parkway, Deerfield, Illinois	60015
(Address of Principal Executive Offices)	*(Zip Code)*

Registrant's telephone number, including area code 224.948.2000

Securities registered pursuant to Section 12(b) of the Act:

Title of Each Class	Trading Symbol(s)	Name of Each Exchange on Which Registered
Common stock, $1.00 par value	BAX (NYSE)	New York Stock Exchange
1.3% Global Notes due 2025	BAX 25	New York Stock Exchange
1.3% Global Notes due 2029	BAX 29	New York Stock Exchange

Securities registered pursuant to Section 12(g) of the Act: None

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. Yes ☐ No ☑

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or 15(d) of the Act. Yes ☐ No ☑

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes ☑ No ☐

Indicate by check mark whether registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§ 232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files) Yes ☑ No ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company" and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer	☑	Accelerated filer	☐
Non-accelerated filer	☐	Smaller reporting company	☐
Emerging growth company	☐		

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

Indicate by check mark whether the registrant has filed a report on and attestation to its management's assessment of the effectiveness of its internal control over financial reporting under Section 404(b) of the Sarbanes-Oxley Act (15 U.S.C. 7262(b)) by the registered public accounting firm that prepared or issued its audit report. ☑

If securities are registered pursuant to Section 12(b) of the Act, indicate by check mark whether the financial statements of the registrant included in the filing reflect the correction of an error to previously issued financial statements. ☐

Indicate by check mark whether any of those error corrections are restatements that required a recovery analysis of incentive-based compensation received by any of the registrant's executive officers during the relevant recovery period pursuant to §240.10D-1(b). ☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes ☐ No ☑

The aggregate market value of the voting common equity held by non-affiliates of the registrant as of June 30, 2024 (the last business day of the registrant's most recently completed second fiscal quarter), based on the assumption for the purpose of this computation only that all of the registrant's directors and executive officers are affiliates, was approximately $17 billion. The number of shares of the registrant's common stock, $1.00 par value, outstanding as of February 13, 2025 was 511,624,996.

DOCUMENTS INCORPORATED BY REFERENCE

Portions of the registrant's definitive 2024 proxy statement for use in connection with its Annual Meeting of Stockholders expected to be held on May 6, 2025 are incorporated by reference into Part III of this report.

ank=0001140811-25-000071

TABLE OF CONTENTS

		Page Number
Item 1.	Business	1
Item 1A.	Risk Factors	8
Item 1B.	Unresolved Staff Comments	30
Item 1C.	Cybersecurity	30
Item 2.	Properties	32
Item 3.	Legal Proceedings	32
Item 4.	Mine Safety Disclosures	32
Item 5.	Market for Registrant's Common Equity, Related Stockholder Matters and Issuer Purchases of Equity Securities	34
Item 6.	Reserved	34
Item 7.	Management's Discussion and Analysis of Financial Condition and Results of Operations	34
Item 7A.	Quantitative and Qualitative Disclosures About Market Risk	63
Item 8.	Financial Statements and Supplementary Data	64
Item 9.	Changes in and Disagreements with Accountants on Accounting and Financial Disclosure	129
Item 9A.	Controls and Procedures	129
Item 9B.	Other Information	129
Item 9C.	Disclosure Regarding Foreign Jurisdictions that Prevent Inspections	129
Item 10.	Directors, Executive Officers and Corporate Governance	130
Item 11.	Executive Compensation	130
Item 12.	Security Ownership of Certain Beneficial Owners and Management and Related Stockholder Matters	130
Item 13.	Certain Relationships and Related Transactions, and Director Independence	131
Item 14.	Principal Accountant Fees and Services	131
Item 15.	Exhibits and Financial Statement Schedules	131
Item 16.	Form 10-K Summary	131

PART I

Item 1. *Business.*

Company Overview

Baxter International Inc., through its subsidiaries, provides a broad portfolio of essential healthcare products, including 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, nursing homes, rehabilitation centers, ambulatory surgery centers, doctors' offices, kidney dialysis centers and patients at home under physician supervision. Our global footprint and the critical nature of our products and services play a key role in expanding access to healthcare in emerging and developed countries. As of December 31, 2024, after giving effect to the recent sale of our Kidney Care business (as discussed below), we manufactured products in over 20 countries and sold them in over 100 countries.

Baxter International Inc. was incorporated under Delaware law in 1931. As used in this report, "Baxter International" means Baxter International Inc. and "we", "our" or "us" means Baxter International and its consolidated subsidiaries, unless the context otherwise requires.

Recent Strategic Actions

In mid-2022, our Board of Directors authorized a strategic review of our business portfolio, with the goal of increasing stockholder value. As part of that review process, we identified and evaluated a range of potential strategic actions, including opportunities for sales and other separation transactions. In January 2023, following the completion of that review, we announced a number of planned strategic actions, as discussed below, which are intended to enhance our operational effectiveness, accelerate innovation and drive additional stockholder value. We completed the last of these strategic actions on January 31, 2025 in connection with the sale of our Kidney Care business.

Sale of Kidney Care Business

On August 12, 2024, we entered into an Equity Purchase Agreement (EPA) with certain affiliates of Carlyle Group Inc. (Carlyle) to sell our Kidney Care business. That business, which is now known as Vantive Health LLC (Vantive) is comprised of our former Kidney Care segment and provides chronic and acute dialysis therapies and services, including peritoneal dialysis, hemodialysis, continuous renal replacement therapies, and other organ support therapies. On January 31, 2025, we completed the sale of our Kidney Care business to Carlyle for an aggregate purchase price of $3.80 billion in cash, subject to certain closing cash, working capital and debt adjustments. After giving effect to certain adjustments, we received approximately $3.71 billion pre-tax cash proceeds at closing of the transaction with the net after tax proceeds currently estimated to be approximately $3.4 billion, subject to certain post-closing adjustments. We determined that our Kidney Care business met the criteria to be classified as held-for-sale in August 2024, and we also concluded that it met the conditions to be reported as a discontinued operation at that time. Accordingly, our Kidney Care business is reported in discontinued operations in the accompanying consolidated financial systems, and our prior period results have been adjusted to reflect discontinued operations presentation.

Implementation of New Operating Model and Resulting Segment Change

Our reportable segments were previously comprised of the following geographic segments related to our legacy Baxter business: Americas (North and South America), EMEA (Europe, Middle East and Africa) and APAC (Asia Pacific), and a global segment for the Hill-Rom Holdings, Inc. (Hillrom) business we acquired in December 2021. In the third quarter of 2023, we completed the implementation of a new operating model intended to simplify and streamline our operations and better align our manufacturing and supply chain to our commercial activities. Under this operating model, our business is currently comprised of three reportable segments: Medical Products & Therapies, Healthcare Systems & Technologies, and Pharmaceuticals. Our segment reporting was changed during the third quarter of 2023 to align with our new operating model, and all periods presented are under the new operating model.

ark_20250710-20250711088 12

Sale of BPS Business

On September 29, 2023, we completed the sale of our BioPharma Solutions (BPS) business and received cash proceeds of $3.96 billion from that transaction. The results of operations and cash flows of our BPS business, including the $2.88 billion pre-tax gain ($2.59 billion net of tax) from the sale of that business and the related cash proceeds received, are reported as discontinued operations in the accompanying consolidated financial statements. We used substantially all of the after-tax proceeds from this transaction to repay certain of our debt obligations, including $514 million of commercial paper borrowings and $2.28 billion of long-term debt that we repaid during the fourth quarter of 2023, as well as €750 million of senior notes that we repaid during the second quarter of 2024.

Business Segments and Products

We currently manage our global operations based on three reportable segments: Medical Products & Therapies, Healthcare Systems & Technologies and Pharmaceuticals.

The Medical Products & Therapies segment includes sales of our sterile IV solutions, infusion systems, administration sets, parenteral nutrition therapies and surgical hemostat, sealant and adhesion prevention products. The Healthcare Systems & Technologies segment includes sales of our 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 Pharmaceuticals segment includes sales of specialty injectable pharmaceuticals, inhaled anesthetics and drug compounding services.

For financial information about our segments, see Note 18 in Item 8 of this Annual Report on Form 10-K.

Business Strategy

Our business strategy is focused on driving sustainable growth and innovation aligned with our mission to save and sustain lives and our vision to transform healthcare with a customer focus to help improve patient outcomes, enhance workflow efficiency, and enable cost-effective care. Our diversified and broad portfolio of medical products that treat acute or chronic conditions and our global presence are core components of our strategy as we work to achieve these objectives. We are focused on key strategic pillars as part of our pursuit of industry leading performance: innovation; operational efficiency; and capital allocation.

Innovation

Our innovation strategy, which encompasses both organic and inorganic initiatives, is focused on accelerating our sales growth through the introduction of new connected care and core therapy offerings. Connected care offerings include devices or software that can digitally connect, communicate and/or analyze data to help transform healthcare and improve patient outcomes, and we are continuing to build out our connected care portfolio offerings, which includes smart bed systems, infusion pumps, patient monitoring and diagnostic technologies, respiratory health devices and advanced equipment for the surgical space. Our core therapy product offerings include pharmaceuticals and consumable medical products designed to address essential patient and provider needs across the continuum of care.

As part of this strategy, we are prioritizing investments that drive innovation in product areas where we believe we have compelling opportunities to better serve patients and healthcare professionals, particularly in markets with higher growth rates. We are working to accelerate the pace at which we bring these advances to market to support our future growth. We are in the midst of launching (or have recently launched) several new products, geographic expansions and line extensions in areas such as smart pump technology, hospital pharmaceuticals and nutritionals, surgical sealants, smart beds, respiratory vests and more. These comprise a mix of entirely new product offerings and meaningful improvements to existing technologies.

Portfolio Optimization

Our strategy also involves active portfolio management in the interest of maximizing value for Baxter stockholders and best positioning Baxter for long-term success. The recent Kidney Care sale has given us enhanced flexibility to deploy (or in some cases redeploy) capital toward opportunities that seek to accelerate our growth objectives,

whether as a result of innovation or expanding our portfolio geographically or as a result of channel expansion or market development activities.

Operational Excellence

As discussed above under "Recent Strategic Actions," in the third quarter of 2023, we implemented a new operating model intended to simplify and streamline our operations and better align our manufacturing and supply chain to our commercial activities. We believe these changes will allow us to be a more integrated and nimble organization that can respond more effectively to operational challenges and changes in the macroeconomic environment while enhancing our ability to drive innovation in our product portfolio. We also continue to focus on increasing efficiencies through automation and digitization. We intend to continue to actively manage our cost structure and strive to commit resources to the highest value uses. Such high value activities include supporting innovation, actively managing the portfolio, expanding patient access and accelerating growth for our stockholders.

Maintaining Disciplined and Balanced Capital Allocation

Subject to market conditions and our investment grade targets, our capital allocation strategies currently include the following:

- debt repayments to support our deleveraging commitments;
- active portfolio management through the identification of attractive acquisition and divestiture transactions, including the recent divestitures of our BPS and Kidney Care businesses; and
- returning capital to stockholders through dividends, while balancing any returns with other strategic actions we take. We also intend to reinstate share repurchases over the longer term.

We paid down $3.65 billion of net debt during 2024 and through February 21, 2025 using proceeds from the sales of our BPS and Kidney Care businesses, and we are committed to retaining our investment grade rating, including taking actions toward achieving a net leverage target of approximately 3.0x by the end of 2025 through ongoing debt repayment and financing activities. During this deleveraging period, we currently intend to continue paying a dividend (which we reduced in November 2024), not make any share repurchases and be highly selective with respect to any potential acquisitions.

Sales and Distribution

We have our own direct sales force and also make sales to and through independent distributors, drug wholesalers acting as sales agents and specialty pharmacy or other alternate site providers. In the United States, third parties, such as Cardinal Health, Inc., warehouse and ship a significant portion of our products through their distribution centers. These centers are generally stocked with adequate inventories to facilitate prompt customer service. Sales and distribution methods include frequent contact by sales and customer service representatives, automated communications via various electronic purchasing systems, circulation of catalogs and merchandising bulletins, direct-mail campaigns, trade publication presence and advertising.

Sales are made and products are distributed on a direct basis or through independent distributors or sales agents in more than 100 countries as of December 31, 2024, giving effect to the sale of our Kidney Care business.

International Operations

A significant portion of our revenues are generated outside of the United States and thoughtful geographic expansion remains a key component of our strategy. Our international presence includes operations in Europe, the Middle East, Africa, Asia-Pacific, Latin America and Canada. We are subject to certain risks inherent in conducting business outside the United States. For more information on these risks, see the information under the captions "Risks Relating to Our Business—We are subject to risks associated with doing business globally" and "—Changes in foreign currency exchange rates and interest rates have had, and may in the future have, an adverse effect on our results of operations, financial condition, cash flows and liquidity" in Item 1A. Risk Factors of this Annual Report on Form 10-K.

For financial information about our foreign and domestic revenues and segment information, see Note 18, in Item 8 of this Annual Report on Form 10-K. For more information regarding foreign currency exchange risk, refer to the

0000320507 10-K 2025 Filed 2025-02-07

discussion under the caption entitled "Financial Instrument Market Risk" in Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations of this Annual Report on Form 10-K.

Contractual Arrangements

Our products are sold through contracts with customers, both within and outside the United States. Some of these contracts have terms of more than one year and place limits on our ability to increase prices. In the case of hospitals, governments and other facilities, these contracts may specify minimum quantities of a particular product or categories of products to be purchased by the customer.

In keeping with the increased emphasis on cost-effectiveness in healthcare delivery, many hospitals and other customers of medical products in the United States have joined group purchasing organizations (GPOs), or formed integrated delivery networks (IDNs), to enhance purchasing power. GPOs and IDNs negotiate pricing arrangements with manufacturers and distributors and the negotiated prices are made available to members. We have purchasing agreements with several of the major GPOs in the United States, which are subject to renewal from time to time. GPOs may have agreements with more than one supplier for certain products. Accordingly, in these cases, we face competition from other suppliers even where a customer is a member of a GPO under contract with us, which may constrain our ability to secure negotiated price increases. Purchasing power is similarly consolidated in many other countries. For example, public contracting authorities often act as the purchasing entities for the hospitals and other customers of medical products in their region and many hospitals and other customers have joined joint procurement entities and buying consortia. The result is that demand for healthcare products is increasingly concentrated across our markets globally. Additionally, our contractual pricing arrangements with GPOs, IDNs and public contracting authorities can sometimes limit our ability to increase prices in order to offset raw materials or component price increases or otherwise. Some of these agreements contain failure to supply clauses with varying remedies, inclusive of limited termination rights.

Raw Materials and Component Parts

Raw materials and component parts essential to our business are purchased from numerous suppliers worldwide in the ordinary course of business. While many of these materials are generally available, we have experienced and may in the future experience shortages of supply. Additionally, certain of these materials are secured from single source suppliers or on a spot basis and not pursuant to a contractual arrangement.

In an effort to manage risk associated with raw materials and component supply, we work closely with our suppliers to help ensure availability and continuity of supply while maintaining high quality and reliability. We also seek to develop new and alternative sources of supply where beneficial to our overall raw materials procurement strategy. Refer to Item 1A. Risk Factors of this Annual Report on Form 10-K for further information regarding risks related to the supply chain, raw materials and component parts (including with respect to the qualification of any new or alternative supplier).

We are not always able to recover cost increases for raw materials and component parts through customer pricing due to contractual limits, where applicable, and market forces. For example, during 2022 and 2023, our profit margins were adversely impacted because we were unable to fully offset all related cost increases resulting from the high inflationary environment through customer pricing adjustments or other pricing actions. Additionally, our profit margins were negatively impacted in the fourth quarter of 2024 (and may continue to be negatively impacted in the short term) because we were unable to fully offset the increased supply chain costs associated with our ongoing North Cove recovery efforts (including as a result of importing additional product from outside the United States to support IV solutions demand). We seek to utilize long-term supply contracts with some suppliers to help maintain continuity of supply and manage the risk of price increases. Our ability to do so in the face of limited supply of certain raw materials and component parts and inflationary environment has been and may in the future be limited.

Competition and Healthcare Cost Containment

Our businesses benefit from a number of competitive advantages, including the breadth and depth of our product offerings and our strong relationships with customers, including hospitals and clinics, GPOs, IDNs, physicians and patients, many of whom self-administer home-based therapies that we supply. We also benefit from efficiencies and cost advantages resulting from shared manufacturing facilities and the technological advantages of our products.

Although no single company competes with us in all of our businesses, we face substantial competition in each of our segments from international and domestic healthcare, medical products and pharmaceutical companies and providers of all sizes, and these competitors often differ across our businesses. In addition, global and regional competitors continue to expand their manufacturing capacity and sales and marketing channels. We believe customer purchasing decisions are primarily focused on cost-effectiveness, price, service, product performance and technological innovation. There has been consolidation in our customer base and by our competitors, which has resulted and continues to result in pricing and market pressures.

1. Global efforts toward healthcare cost containment continue to exert pressure on product pricing. Governments around the world use various mechanisms to control healthcare expenditures, such as price controls, the formation of public contracting authorities, product formularies (lists of recommended or approved products), and competitive tenders which require the submission of a bid to sell products. Sales of our products are dependent, in part, on the availability of reimbursement by government agencies and healthcare programs, as well as insurance companies and other private payers. In the United States, the federal government and many states have adopted or proposed initiatives relating to Medicaid and other health programs that may limit reimbursement or increase rebates that we and other providers are required to pay to the state. In addition to government regulation, managed care organizations in the United States, which include medical insurance companies, medical plan administrators, health-maintenance organizations, hospital and physician alliances and pharmacy benefit managers, continue to put pressure on the price and usage of healthcare products. Managed care organizations seek to contain healthcare expenditures, and their purchasing strength has been increasing due to their consolidation into fewer, larger organizations and a growing number of enrolled patients. We face similar issues outside of the United States. In Europe and Latin America, for example, the government provides healthcare at low cost to patients, and controls its expenditures by purchasing products through public tenders, collective purchasing, regulating prices, setting reference prices in public tenders or limiting reimbursement or patient access to certain products. Additionally, China has been implementing volume-based procurement policies and a series of centralized reforms on both a national and regional basis which have resulted in significant price cuts for pharmaceuticals and medical consumables. For further discussion, refer to Item 1A. Risk Factors of this Annual Report on Form 10-K.

Intellectual Property

Patents and other proprietary rights are essential to our business. We rely on patents, trademarks, copyrights, trade secrets, know-how and confidentiality agreements to develop, maintain and strengthen our competitive position. We own numerous patents and trademarks throughout the world and have entered into license arrangements relating to various third-party patents and technologies. Products manufactured by us are sold primarily under our own trademarks and trade names. Some products distributed by us are sold under our trade names, while others are sold under trade names owned by our suppliers or partners. Trade secret protection of unpatented confidential and proprietary information is also important to us. We maintain certain details about our processes, products and technology as trade secrets and generally require employees, consultants, and business partners to enter into confidentiality agreements. These agreements may be breached and we may not have adequate remedies for any breach. In addition, our trade secrets may otherwise become known or be independently discovered by competitors. To the extent that our employees, consultants, and business partners use intellectual property owned by others in their work for us, disputes may arise as to the rights in related or resulting know-how and inventions.

Our policy is to protect our products and technology through patents and trademarks on a worldwide basis. This protection is sought in a manner that balances the cost of such protection against obtaining the greatest value for us. We also recognize the need to promote the enforcement of our patents and trademarks and take commercially reasonable steps to enforce our patents and trademarks around the world against potential infringers, including judicial or administrative action where appropriate.

We operate in an industry susceptible to significant patent litigation. At any given time, we are involved as either a plaintiff or defendant in a number of patent infringement and other intellectual property-related actions. Such litigation can result in significant royalty or other payments or result in injunctions that can prevent the sale of products. For more information on patent and other litigation, see Note 8 in Item 8 of this Annual Report on Form 10-K.

Research and Development

10-20250713083214
brk-20250713

We believe our investment in research and development (R&D), consistent with our portfolio optimization and capital allocation strategies, will help fuel our future growth and our ability to remain competitive. Accordingly, we continue to focus our investment on select R&D programs to enhance future growth through clinical differentiation. Expenditures for our R&D activities were $590 million in 2024, $518 million in 2023, and $450 million in 2022. These expenditures include costs associated with R&D activities performed at our R&D centers located around the world, which include facilities in Belgium, India, Italy, Malta and the United States, as well as in-licensing, milestone and reimbursement payments made to partners for R&D work performed at non-Baxter locations. As discussed above in under "Recent Strategic Actions," in the third quarter of 2023, we implemented a new operating model intended to simplify and streamline our operations, including with respect to our R&D activities. We are also working to create a more resilient supply chain and better align our manufacturing footprint and supply chain to our commercial activities. These activities may result in the consolidation of one or more R&D facilities.

For more information on our R&D activities, refer to the discussion under the caption entitled "Strategic Objectives" in Item 7. Management's Discussion of Analysis and Financial Condition and Results of Operations of this Annual Report on Form 10-K.

Quality Management

Our continued success depends upon the quality of our products. Quality management plays an essential role in determining and meeting customer requirements, helping to prevent defects, facilitating continuing improvement of our processes, products and services, and helping to assure the safety and efficacy of our products. Our quality system enables the design, development, manufacturing, packaging, sterilization, handling, distribution and labeling of our products to help ensure that they conform to customer requirements. In order to consistently improve the effectiveness and efficiency of our quality system, various measurement, monitoring and analysis methods, such as management reviews and internal, external and vendor audits, are employed at local and central levels.

Each product that we market is required to meet specific quality standards, both in packaging and in product integrity and quality. If any of those is determined to be compromised at any time, we endeavor to take corrective and preventive actions designed to ensure compliance with regulatory requirements and to meet customer expectations. For more information on corrective actions taken by us, refer to the discussion under the caption entitled "Certain Regulatory Matters" in Item 7. Management's Discussion of Analysis and Financial Condition and Results of Operations of this Annual Report on Form 10-K.

Corporate Responsibility

Driven by our mission to save and sustain lives, Baxter's corporate responsibility strategy focuses on addressing corporate responsibility matters that affect our patients, customers, employees, communities and other critical stakeholders worldwide. Advancing our corporate responsibility goals contributes to business, social and economic value, including attraction and retention of employees, enhanced operational efficiency and implementation of enterprise risk management strategies, among others.

In 2021, we launched our 2030 Corporate Responsibility Commitment featuring strategic goals for focused action. Our Commitment is anchored by three pillars - Empower our Patients, Protect our Planet and Champion our People and Communities. The 2030 Corporate Responsibility Commitment and Goals highlight Baxter's corporate responsibility focus and help to further advance our corporate responsibility performance. We expect to announce a refreshed Corporate Responsibility commitment and goal set after the issuance of our 2024 Corporate Responsibility Report (to be issued in June 2025), either in a separate announcement or as part of the 2025 Corporate Responsibility Report. This timing should allow for a new, permanent CEO to have the opportunity to review and contribute to our commitment and goals and to reflect recent operational and other developments (including the recent Kidney Care sale). Our progress against our current goals and commitments is published annually in our Corporate Responsibility Report which is available on our website under "Our Story-Corporate Responsibility." The Corporate Responsibility Report is not incorporated by reference into this Annual Report on Form 10-K or any other document filed with the SEC.

Government Regulation

As a medical products company, our operations and many of the products manufactured or sold by us are subject to extensive regulation by numerous government agencies, both within and outside the United States. The Food and Drug Administration (FDA) in the United States, the European Medicines Agency (EMA) and the Medicines &

Healthcare products Regulatory Agency (MHRA) in Europe, the National Medical Products Administration (NMPA) in China and other government agencies, inside and outside of the United States, administer requirements covering the testing, safety, effectiveness, manufacturing, labeling, promotion and advertising, distribution and post-market surveillance of our products. We must obtain specific clearance, approval or other marketing authorization from FDA and non-U.S. regulatory authorities before we can market and sell most of our products in a particular country. Even after we obtain regulatory authorization to market a product, additional regulatory authorization may be necessary to maintain the product in the market, including additional 501(k) clearances, new drug approval (NDA) supplements, and other regulatory submissions. In addition, the raw materials, manufacturing facilities, processes and quality systems used in the manufacture of a product are subject to continued review by FDA and other regulatory authorities globally. State agencies in the United States also regulate our facilities, operations, employees, products and services within their respective states. We, along with our facilities, are subject to periodic inspections and possible administrative and legal actions by FDA and other regulatory agencies inside and outside the United States. Such actions may include warning letters, product recalls or seizures, monetary sanctions, injunctions to halt the manufacture and distribution of products, civil or criminal sanctions, refusal of a government to grant approvals or licenses, restrictions on operations or withdrawal of existing approvals and licenses. As situations require, we take steps to ensure the safety and efficacy of our products, such as removing products from the market that are found not to meet applicable requirements and improving the effectiveness of quality systems. For more information on compliance actions taken by us, refer to the discussion under the caption entitled "Certain Regulatory Matters" in Item 7. Management's Discussion of Analysis and Financial Condition and Results of Operations of this Annual Report on Form 10-K.

We are also subject to various laws inside and outside the United States concerning our relationships with healthcare professionals and government officials, price reporting and regulation, the promotion, sales and marketing of our products and services, the importation and exportation of products, the operation of our facilities and the distribution of products. In the United States, we are subject to the oversight of FDA, Office of the Inspector General within the Department of Health and Human Services (OIG), the Center for Medicare/Medicaid Services (CMS), the Department of Justice (DOJ), Environmental Protection Agency, Department of Defense and Customs and Border Protection in addition to others. We supply products and services to healthcare providers that are reimbursed by federally funded programs such as Medicare. As a result, our activities are subject to regulation by CMS and enforcement by OIG and DOJ. In each jurisdiction outside the United States, our activities are subject to regulation by government agencies including the EMA and MHRA in Europe, NMPA in China and other agencies in other jurisdictions. Many of the agencies enforcing these laws have increased their enforcement activities with respect to healthcare companies in recent years. These actions appear to be part of a general trend toward increased enforcement activity globally.

Our operations involve the use of substances regulated under environmental laws, primarily in manufacturing and sterilization processes. Our environmental policies require compliance with all applicable environmental regulations and contemplate, among other things, appropriate capital expenditures for environmental protection.

Human Capital Management

As of December 31, 2024, after giving effect to the Kidney Care sale, we employed approximately 38,000 people globally, with approximately 15,000 employees in the United States and approximately 23,000 employees outside of the United States. Our employees set the foundation for our ability to achieve our strategic objectives. They contribute to our success and are instrumental in driving operational execution and our ability to deliver strong financial performance, advancing innovation and maintaining a strong quality and compliance program across our organization.

The success and growth of our business depends in large part on our ability to attract, retain and develop talented and high-performing employees at all levels of our organization with a myriad of backgrounds and experiences, including the individuals who comprise our global workforce as well as executive officers and other key personnel. To succeed in a competitive labor market, we have developed recruitment and retention strategies, objectives and measures that we focus on as part of the overall management of our business. These strategies, objectives and measures form our human capital management framework and are advanced through the following programs, policies and initiatives:

- **Competitive Pay and Benefits.** Our compensation programs are designed to align the compensation of our employees with our performance and to provide the proper incentives to attract, retain and motivate

ank=20250711108815 0-20250711108815

employees to achieve superior results. The structure of our compensation programs balances incentive earnings for both short-term and long-term performance.

- **Health and Safety.** Health and safety are firmly rooted across our global footprint. We aim for a zero-harm workplace and prioritize the elimination of risks and incident precursors to drive improvement. In 2024, Baxter focused on employee engagement, hazard identification and accelerated technology deployment to better understand and address top health and safety risk areas. We have continued to mobilize our hazard identification program for our operational workforce, in concert with a centralized corrective action tracking tool. These improvements have enabled us to harvest actionable insights, support ergonomic evaluations and implement safety control technology for improved operation of our powered industrial vehicles.
- **Recruitment, Training and Development.** We use recruitment vehicles to attract talent to our organization and we prioritize learning opportunities that foster a growth mindset. Our formal offerings include a tuition reimbursement program, an e-learning platform known as BaxU and virtual workshops that support our culture, strategy and the development of crucial skills. To assess the impact of the investments we make in our people, and to help us consistently improve our human resources programs, we regularly conduct anonymous surveys of our global workforce to seek feedback on a variety of topics including confidence in our leadership, competitiveness of our compensation and benefits packages, career growth opportunities and improvements on how we can make our company an employer of choice. Administered and analyzed by an independent third-party, the survey results are reviewed by our senior leaders, which include our executive officers. Summaries of select surveys are also provided to our Board of Directors. The results of this engagement survey are also shared with individual managers, who are then tasked with taking action based on their employees' anonymous feedback.

Available Information

We make available free of charge on our website at www.baxter.com our Annual Reports on Form 10-K, Quarterly Reports on Form 10-Q, Current Reports on Form 8-K, and amendments to those reports filed or furnished pursuant to Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended (Exchange Act), as soon as reasonably practicable after electronically filing or furnishing such material with the Securities and Exchange Commission. These reports are also available free of charge via EDGAR through the Securities and Exchange Commission website (www.sec.gov). In addition, our Corporate Governance Guidelines, Code of Conduct, and the charters for the committees of our Board of Directors are available on our website at www.baxter.com under "Our Story — Our Governance." All the foregoing materials will be made available to stockholders in print upon request by writing to: Corporate Secretary, Baxter International Inc., One Baxter Parkway, Deerfield, Illinois 60015. Information contained on our website shall not be deemed incorporated into, or to be a part of, this Annual Report on Form 10-K.

Item 1A. *Risk Factors.*

In addition to the other information in this Annual Report on Form 10-K, stockholders or prospective investors should carefully consider the following risk factors for a description of the principal risks that we face. If any of the events described below occurs, our business, results of operations, financial condition, cash flows, future growth prospects and stock price could suffer. Further, other unknown or unpredictable factors could also have material adverse effects on our future results.

Risk Factors Summary

This summary of risks below is intended to provide an overview of the risks we face and should not be considered a substitute for the more detailed risk factors discussed immediately following this summary.

Risks Relating to Our Strategic Actions

- We are exposed to risks as a result of our strategic actions, including the recent sale of our Kidney Care business.
- We may continue to experience difficulties with our ongoing integration of Hillrom or fail to realize the anticipated benefits of the Hillrom acquisition.
- If our business strategy and development activities are unsuccessful, our business, results of operations, financial condition and cash flows could be adversely affected.

Risks Relating to Our Financial Performance and Our Common Stock

- Global economic conditions, including inflation and supply chain disruptions, have adversely affected, and could continue to adversely affect, our operations.
- Our operating results and financial condition have fluctuated and may in the future continue to fluctuate.
- We may not achieve our financial goals.
- Our common stock price has fluctuated significantly and may continue to do so.
- Our significant indebtedness requires us to use a substantial amount of our cash flow for debt service and could constrain our flexibility in responding to unanticipated or adverse business conditions and adversely affect our business, results of operations, financial condition and cash flows.
- Changes in foreign currency exchange rates and interest rates have had, and may in the future have, an adverse effect on our results of operations, financial condition, cash flows and liquidity.
- Future material impairments in the value of our goodwill, intangible assets and other long-lived assets, would negatively affect our operating results.
- We cannot guarantee that in the future we will not further reduce the amount of dividends we pay.

Risks Relating to Our Business

- If we are unable to successfully introduce or monetize new and existing products or services, or fail to keep pace with changing consumer preferences and needs or advances in technology, our business, results of operations, financial condition and cash flows could be adversely affected.
- Issues with quality management or product quality could, among other things, have an adverse effect on our business or cause a loss of customer confidence in us or our products.
- There is substantial competition in the product markets in which we operate and the risk of declining demand and pricing pressures could adversely affect our business, results of operations, financial condition and cash flows.
- If we fail to attract, develop, retain and engage key employees, including a permanent Chief Executive Officer (CEO) and other members of our senior management, our business may suffer.
- Pandemics and other public health emergencies, or the fear thereof, have had, and may in the future have, a material adverse effect on our business.

Risks Relating to Our Operations

- Segments of our business are significantly dependent on major contracts with GPOs, IDNs, and certain other distributors and purchasers.
- We may not be successful in achieving expected operating efficiencies and sustaining or improving operating expense reductions and may experience business disruptions and adverse tax consequences associated with restructuring, realignment and cost reduction activities.
- If we are unable to obtain sufficient components or raw materials on a timely basis or for a cost-effective price or if we experience other manufacturing, sterilization, supply or distribution difficulties, our business, results of operations, financial condition and cash flows may be adversely affected.
- Breaches and breakdowns affecting our information technology systems or protected information, including from obsolescence, cyber security breaches and data leakage, could have a material adverse effect on us.
- Incorporating artificial intelligence, machine learning and other emerging technologies into our products, services and operations exposes us to legal and regulatory risks and could result in reputational harm or have other adverse consequences to our business, financial condition or results of operations.

ank=20250710;20250711108816

- Climate change, or legal, regulatory or market measures to address climate change, could adversely affect our business, results of operations, financial condition and cash flows.
- Our commitments, goals and disclosures related to corporate responsibility matters, and the perception of our activities in these areas, may adversely impact the company, including through reputational harm.
- We are subject to risks associated with doing business globally.
- A portion of our workforce is unionized, and we could face labor disruptions that would interfere with our operations.

Risks Relating to Legal and Regulatory Matters

- We are subject to a number of laws and regulations, and we are susceptible to a changing regulatory environment.
- Increasing regulatory focus on, and expanding laws relating to, privacy, artificial intelligence and cybersecurity could impact our business and expose us to increased liability.
- If reimbursement or other payment for our current or future products is reduced or modified in the United States or in foreign countries or there are changes to policies with respect to pricing, taxation or rebates, our business could suffer.
- We could be subject to fines or damages and possible exclusion from participation in federal or state healthcare programs if we fail to comply with the laws and regulations applicable to our business.
- If we are unable to protect or enforce our patents or other proprietary rights, or if we become subject to claims or litigation alleging infringement of the patents or other proprietary rights of others, our competitiveness and business prospects may be materially damaged.
- Changes in tax laws or exposure to additional income tax liabilities may have a negative impact on our operating results.
- We are party to a number of pending lawsuits and other disputes which may have an adverse impact on our business, results of operations, financial condition and cash flows.
- Our Amended and Restated By-Laws could limit our stockholders' ability to choose their preferred judicial forum for disputes with us or our directors, officers, or employees.

Risks Relating to Our Recent and Ongoing Strategic Actions

We are exposed to risks as a result of our strategic actions, including the recent sale of our Kidney Care business.

Our businesses have begun to face, and will continue to face, material challenges in connection with the sale of our Kidney Care business and the other strategic actions we have undertaken (including the implementation of a simplified operating model and the ongoing simplification of our manufacturing footprint). The success of the sale of our Kidney Care business depends on, among other things, our ability to effectively transition the Kidney Care business to Carlyle in a manner that: minimizes disruption to our customers, employees, other personnel and operations; realizes the expected tax benefits; avoids potential liabilities or claims; and enables us to achieve related cost savings initiatives. The Kidney Care sale may result in challenges such as: the diversion of management's attention from our ongoing business concerns and any newly identified strategic initiatives; attracting, retaining and motivating key management and other employees; retaining existing, or attracting new, business and operational relationships, including with customers, suppliers, employees and other counterparties; maintaining our relationships with regulators; the potential for disputes or litigation with Carlyle or Vantive, as applicable, arising from the transaction, the EPA or the various agreements (including a transition services agreement and a manufacturing and supply agreement) that we entered into with Vantive in connection with the Kidney Care closing (as further described below) and liabilities and obligations otherwise related to the transaction, the EPA or the other agreements described in this paragraph; the potential for exposure related to certain pre-closing Kidney Care liabilities we retained; the potential for adverse tax consequences or changes in tax laws or

regulations that could affect our remaining businesses; the potential for regulatory actions or investigations related to the transaction or the businesses involved; and potential negative reactions from the financial markets, ratings agencies, customers, employees, other personnel or other stakeholders.

In addition, in the last few years, we have undertaken other strategic and business transformation actions (including the divestiture of our BPS business, the acquisition of Hillrom and cost reduction initiatives) that have entailed changes across our organizational structure, senior leadership, culture, functional alignment, outsourcing and other areas. These actions pose risks in the form of personnel capacity constraints and institutional knowledge loss that has led to, and could in the future lead to, missed performance of financial targets (including those related to cost savings initiatives) and harm to our reputation.

In connection with the closing of the Kidney Care sale, we entered into certain agreements as described above (including a transition services agreement and a manufacturing and supply agreement). These agreements provide for the performance of services, and the provision of certain dialysis-related products, other products and product components, by each company for the benefit of the other for a period of time. If Vantive is unable to satisfy its obligations under these agreements, including its supply and indemnification obligations, we could incur losses. Additionally, in the event that Vantive asserts claims for breaches of any of these agreements, our indemnity obligations and other liabilities to Vantive under these agreements could be significant. These arrangements could also lead to disputes over rights to certain shared property and rights and over the allocation of costs and revenues for products and operations. Our inability to effectively manage these activities and related events could adversely affect our business, financial condition or results of operations.

We have incurred, and will continue to incur, significant expenses in connection with the sale of our Kidney Care business. For example, we will continue to incur the costs of providing transition services, products and product components to Vantive under the agreements described above and other stranded costs that we will no longer be able to share with the Kidney Care business and which we may not be able to fully offset. Such expenses have been significant, and may continue to grow. In addition, the anticipated benefits of the sale are based on a number of assumptions, some of which may prove incorrect, and we cannot predict with certainty when the expected benefits will occur, or the extent to which they will be achieved. As a result, even with the completed sale of the Kidney Care business, we may not achieve some or all of the anticipated strategic, financial, operational or other benefits in the expected timeframe, or at all, which could adversely impact our business, results of operations, financial condition and cash flows. Further, the sale of the Kidney Care business results in a smaller, less diversified company, with more limited and concentrated businesses than before the transaction, which may leave us more vulnerable to changing market conditions.

Additionally, until the market has fully analyzed our valuation following the sale of the Kidney Care business, the price of our common stock may continue to fluctuate even after a sufficient amount of time has passed for the market to fully analyze our valuation following the sale of the Kidney Care business. Our common stock may not match some holders' investment strategies or meet minimum criteria for inclusion in stock market indices or portfolios, causing certain investors to sell their shares, which could in turn lead to declines in the trading price of such stock. Furthermore, with the sale having decreased the diversification of our revenues, costs and cash flows, our operations, cash flows, working capital, effective tax rate and financing requirements may be subject to increased volatility, and our ability to fund capital expenditures and investments, pay dividends and meet debt obligations and other liabilities may be diminished.

We may continue to experience difficulties with our ongoing integration of Hillrom or fail to realize the anticipated benefits of the Hillrom acquisition.

During 2021, we completed the acquisition of Hillrom. The success of this acquisition depends on, among other things, our ability to complete the integration of Hillrom in a manner that facilitates growth opportunities, realizes anticipated cost and revenue synergies and achieves certain previously communicated net leverage targets without adversely affecting current revenues and investments in future growth. If we are not able to successfully achieve these objectives (including completing the ongoing integration), the anticipated benefits of the Hillrom acquisition may not be realized fully, or at all, or may take longer to realize than expected.

There is a significant degree of difficulty and management distraction inherent in the process of integrating an acquisition. The integration of Hillrom into our operations is complex and time-consuming and certain aspects have taken longer than originally anticipated and have required more effort than was originally planned. Challenges associated with our integration efforts are also heightened due to the other strategic actions we have recently completed (including the sale of our Kidney Care business). This has resulted in, and may continue to result in, additional expenses and other difficulties as we work to complete the integration, including challenges consolidating certain operations and functions (including regulatory and other corporate functions), integrating technologies

ank=20250710-20250711108817

(including differing information technology systems and processes), organizations, procedures, policies and operations and addressing differences in the business cultures of the two companies, any of which could adversely affect our ability to achieve the anticipated benefits of the acquisition. The integration process and other disruptions resulting from the Hillrom acquisition and our recently completed strategic initiatives also disrupt our ongoing businesses and could cause inconsistencies in standards, controls, procedures and policies that adversely affect our relationships with market participants, employees, regulators and others with whom we have business or other dealings. Any failure to successfully or cost-effectively integrate Hillrom could have a material adverse effect on our business and cause reputational harm.

If our business strategy and development activities are unsuccessful, our business, results of operations, financial condition and cash flows could be adversely affected.

While we remain committed to deleveraging, we expect to engage in significant business development activities over the longer term in a manner that is consistent with our net leverage targets, including evaluating acquisitions, joint development opportunities, technology licensing arrangements and other opportunities, such as potential divestitures and targeted market exits as we look to optimize our product portfolio and improve our operating margins. These activities may result in substantial investment of our resources. Our success developing products, expanding into new markets and optimizing our market presence from such activities will depend on a number of factors, including our ability to find suitable opportunities or partners for acquisition, investment, alliance or divestiture; competition from other companies in the industries in which we operate that are seeking similar opportunities; whether we are able to complete an acquisition, investment, alliance or divestiture on terms that are satisfactory to us or at all; the strength of the underlying technology and products of any of the other parties involved in a transaction, as well as their ability to execute their business strategies; any intellectual property and litigation related to any other party's products or technology; and our ability to successfully integrate the acquired company, business, product, technology or research into our existing operations (or to divest such company, business, product, technology or research from our existing operations), including the ability to adequately fund acquired in-process R&D projects and to maintain adequate controls over the combined operations. Certain of these activities are subject to antitrust and competition laws, which could impact our ability to pursue strategic transactions and could result in mandated divestitures in the context of proposed acquisitions. Additionally, certain divestitures could result in negative market or regulatory reactions. If we are unsuccessful in our business development activities, we may not realize the intended benefits of such activities, including that acquisition and integration or divestiture costs may be greater than expected or the possibility that the expected return on investment, synergies and accretion will not be realized or will not be realized within the expected timeframes. For more information, see Note 3 in Item 8 of this Annual Report on Form 10-K.

Risks Relating to Our Financial Performance and Our Common Stock

Global economic conditions, including inflation and supply chain disruptions, have adversely affected, and could continue to adversely affect, our operations.

General global economic downturns and macroeconomic trends, including heightened inflation, capital markets volatility, interest rate and currency rate fluctuations, changes in monetary policy and economic slowdown or recession, have resulted in, and may continue to result in, unfavorable conditions that negatively affect demand for our products and exacerbate other risks described in this "Risk Factors" section that affect our business, results of operations, financial condition and cash flows. Both domestic and international markets have been experiencing significant inflationary pressures in recent years and inflation rates in the U.S., as well as in other countries in which we operate, are currently expected to continue at elevated levels for the near term. In addition, increases in interest rates and volatility in currency exchange rates have negatively impacted, and may continue to negatively impact, our results of operations. See "Risks Relating to Our Financial Performance and Our Common Stock – Changes in foreign currency exchange rates and interest rates have had, and may in the future have, an adverse effect on our results of operations, financial condition, cash flows and liquidity".

We have experienced significant challenges to our global supply chain in recent periods, including production delays and interruptions, increased costs and shortages of raw materials and component parts (including resins and electromechanical devices), heightened inventory levels to reduce the risk of patient supply disruption and higher transportation and labor costs, resulting from significant weather events (including Hurricane Helene), elevated inflation levels, disruptions to certain ports of call around the world, the war in Ukraine, the conflict in the Middle East and other geopolitical events. Due to the nature of our products, which include dense consumable medical products such as IV fluids, and the geographic locations of our manufacturing, storage and distribution facilities, which were further consolidated in anticipation of the recent Kidney Care sale and which often require us to transport our products long distances, we may be more susceptible to increases in freight costs and other supply

chain challenges than certain of our industry peers. We expect to experience some of these and other challenges related to our supply chain in future periods. These challenges, including the unavailability of certain raw materials and component parts, have also had a negative impact on our sales for certain product categories due to our inability to fully satisfy demand and may continue to have a negative impact on our sales in the future. They have also made it increasingly difficult to model accurately our short-term and long-term financial objectives and may continue to do so in the future.

Our ability to generate cash flows from operations has been affected, and could continue to be affected, if there is a material decline in the demand for our products or, in the solvency or planned capital expenditures of our customers or suppliers, or if there is deterioration in our key financial ratios or credit ratings. Current or worsening economic conditions may impact the ability of our customers (including governments) to pay for our products and services and the amount spent on healthcare generally, which could result in decreased demand for our products and services, a decline in cash flows, longer sales cycles, increased inventory levels, slower adoption of new technologies and increased price competition. These conditions may also adversely affect certain of our suppliers, which could disrupt our ability to produce products. We continue to do business with foreign governments in certain countries that have experienced deterioration in credit and economic conditions. While global economic conditions to date have not significantly impacted our ability to collect receivables, liquidity issues in certain countries have resulted, and may continue to result, in delays in the collection of receivables and credit losses and may also impact the stability of the U.S. Dollar, Euro, Renminbi or other currencies.

Our operating results and financial condition have fluctuated and may in the future continue to fluctuate.

Our operating results and financial condition have, and may in the future, fluctuate from quarter-to-quarter and year-to-year for a number of reasons. Events, such as changes to our expectations, strategy or forecasts (including as a result of evolving global macroeconomic conditions, updated expectations regarding the timing of new regulatory approvals or the impact or timing of our cost savings initiatives) or even a relatively small revenue shortfall or increase in supply chain or other costs which we are unable to offset have, and may in the future, cause financial results for a period to be below our expectations or projections. As a result, we believe that period-to-period comparisons of our results of operations are not necessarily meaningful, nor should they be relied upon as an indication of future performance. Our operating results and financial condition are also subject to fluctuation from all of the risks described throughout this section. These fluctuations may adversely affect our results of operations and financial condition and our stock price.

We may not achieve our financial goals.

We continue to evaluate and refine both our short-term and long-term financial objectives, including our stated commitment to achieve certain net leverage targets and to fully offset the stranded costs related to the recent sale of our Kidney Care business. Our ability to achieve these anticipated benefits depends, in part, on our ability to realize the anticipated benefits of the Hillrom acquisition and Kidney Care sale (and related cost and revenue synergy targets) while working to execute on our stated portfolio management initiatives. We may fail to achieve our targeted financial results if we are unsuccessful in implementing our strategies or if our estimates or assumptions change or for any other reason. Our failure to achieve our financial goals could have a material adverse effect on our business, results of operations, financial condition and cash flows.

Our common stock price has fluctuated significantly and may continue to do so in the future.

The price of our common stock has fluctuated significantly and may continue to do so in the future for a number of reasons, including the following:

- market perceptions of any strategic actions or other developments related to our business including, for example, the Kidney Care sale;
- variations in our net sales, earnings or other financial results from investors' expectations or our previously issued guidance;
- departure of key personnel;
- fluctuations in the results of our operations and general conditions in the economy, our market, and the markets served by our customers, including with respect to technological advances; and
- the operating and stock performance of comparable companies or related industries.

In addition, prices in the stock market have generally been volatile in recent years, and may continue to be volatile. In certain cases, the fluctuations have been unrelated to the operating performance of the affected companies. As a result, the price of our common stock could also fluctuate in the future without regard to our operating performance.

Our significant indebtedness requires us to use a substantial amount of our cash flow for debt service and could constrain our flexibility in responding to unanticipated or adverse business conditions and adversely affect our business, results of operations, financial condition and cash flows.

As of December 31, 2024, we had approximately $13.13 billion of indebtedness outstanding and, as of February 21, 2025 have paid down approximately $3.13 billion. Our significant level of indebtedness and our future financial performance requires us to use a substantial amount of our cash flow for debt service and reduces funds available (under our credit facilities or otherwise) for investments in product development, capital expenditures, dividend payments, acquisitions, share repurchases and other activities and may create competitive disadvantages for us relative to other companies with lower debt levels. Our level of indebtedness can also constrain our flexibility in responding to unanticipated or adverse business conditions. If we are unable to repay our indebtedness in accordance with our stated objectives, or at all, or if credit ratings agencies do not believe we are repaying our indebtedness promptly, they may further reduce our senior debt credit ratings. In addition, until we achieve our stated commitment regarding the reduction of our indebtedness, our capital allocation activities and operational flexibility is limited. There can be no assurance that we will be successful in achieving that commitment on a timely basis or at all. Further, difficulties in, or the inability to, refinance our indebtedness, or to do so upon attractive terms, could materially and adversely affect our business, prospects, results of operations, financial condition and cash flows, and make us vulnerable to adverse industry and general economic conditions.

Changes in foreign currency exchange rates and interest rates have had, and may in the future have, an adverse effect on our results of operations, financial condition, cash flows and liquidity.

We generate a meaningful portion of our net sales and profit outside the United States and currency exchange rates have been especially volatile in recent years. As a result, currency fluctuations have affected, and may continue to affect, the reported value of our assets and liabilities, as well as our cash flows and results of operations We cannot predict with any certainty changes in foreign currency exchange rates or our ability to mitigate these risks. We have experienced, and may continue to experience, additional volatility as a result of inflation and other macroeconomic factors, including in emerging market countries. We are also exposed to changes in interest rates, and our ability to access the money markets and capital markets on terms that are favorable to us, or at all, could be impeded if market conditions are not favorable. For example, the Federal Reserve in the U.S. and other central banks in various countries have raised, and may again raise, interest rates in response to concerns about inflation, which, coupled with reduced government spending and volatility in financial markets, has had, and may continue to have, the effect of further increasing economic uncertainty and heightening these risks. Interest rate increases or other government actions taken to reduce inflation have resulted in, and may continue to result in, recessionary pressures in many parts of the world. For more information see "Financial Instrument Market Risk" in Item 7. Management's Discussion of Analysis and Financial Condition and Results of Operations of this Annual Report on Form 10-K.

Future material impairments in the value of our goodwill, intangible assets and other long-lived assets would negatively affect our operating results.

We regularly review our goodwill, intangible assets and property, plant and equipment for potential impairment. Goodwill and indefinite-lived intangible assets are subject to impairment reviews on an annual basis or whenever potential impairment indicators are present. Intangible assets subject to amortization and property, plant and equipment are reviewed for potential impairment when there is an indication that an impairment may have occurred. Adverse changes to macroeconomic conditions or our earnings forecasts, as well as changes in our strategic goals or business direction, could lead to impairment charges. In addition, we may, from time to time, pursue the sale of assets that we determine are not critical to our strategy, including in connection with strategic exits, such as the Kidney Care sale. Such transactions could result in impairment charges if the estimated fair value of the assets, less costs to sell, is less than their related carrying amount. Material impairment charges would negatively affect our results of operations.

For example, as described in more detail in Note 5 of Item 8 of this Annual Report, we recorded a $425 million goodwill impairment related to our Front Line Care reporting unit within our Healthcare Systems & Technologies segment and an impairment charge of $50 million to reduce the carrying amount of an in-process research & development (IPR&D) asset to its fair value during 2024. Previously, as described in more detail in Note 3 of Item 8 of this Annual Report, we recognized $2.81 billion of goodwill impairments and $332 million of indefinite-lived intangible asset impairments during 2022, both related to Healthcare Systems & Technologies assets acquired in

aak_2025_03_31_8-K_1800180_1800180_0001437749-25-013088

connection with our December 2021 acquisition of Hillrom. Further adverse changes to macroeconomic conditions or our earnings forecasts could lead to additional goodwill or intangible asset impairment charges in future periods and such charges could be material to our results of operations. For more information on the valuation of goodwill and intangible assets, see "Critical Accounting Policies" in Item 7. Management's Discussion of Analysis and Financial Condition and Results of Operations of this Annual Report on Form 10-K.

We cannot guarantee that in the future we will not further reduce the amount of dividends we pay.

The timing, declaration, amount and payment of any future dividends fall within the discretion of our Board of Directors and will depend on many factors, including our available cash, estimated cash needs, earnings, financial condition, operating results, capital requirements, limitations in our contractual agreements, applicable law, regulatory constraints, industry practice and other business considerations that our Board of Directors considers relevant. In November 2024, we announced a reduction in our quarterly dividend in anticipation of the sale of our Kidney Care business and the corresponding reduction to our earnings and cash flows. Any further change in our dividend program could have an adverse effect on the market price of our common stock.

Risks Relating to Our Business

If we are unable to successfully introduce or monetize new and existing products or services, or fail to keep pace with changing consumer preferences and needs or advances in technology, our business, results of operations, financial condition and cash flows could be adversely affected.

We need to successfully introduce or monetize new and existing products and services to achieve our strategic business objectives. We can provide no assurances that we will be able to develop new products and services, that our new products and services will achieve commercial acceptance in the marketplace, or that we will be able to separately bill for new or existing services. In addition, difficulties in manufacturing or in obtaining or maintaining regulatory approvals have delayed, and may in the future delay or prohibit, the introduction of new or maintenance of existing products into the marketplace. We may not be able to obtain patent protection on our new products or be able to defend our intellectual property rights globally. See "Risks Relating to Legal and Regulatory Matters – If we are unable to protect or enforce our patents or other proprietary rights, or if we become subject to claims or litigation alleging infringement of the patents or other proprietary rights of others, our competitiveness and business prospects may be materially damaged." Warranty claims and service costs relating to our new products might be greater than anticipated, and we might be required to devote significant resources to address any quality issues associated with our new products, which could reduce the resources available for further new product development and other matters. In addition, the introduction of new products and services might also cause customers to defer purchases of existing products or services. Our future financial performance will also depend in part on our ability to influence, anticipate, identify and respond to changing consumer preferences and needs. We might not correctly anticipate or identify trends in customer preferences or needs or might identify or react to them later than competitors do.

In order to successfully introduce or monetize new and existing products and services, we must commit, and continue to commit, substantial funds and other resources to R&D and innovation initiatives. Failure to successfully introduce new products or services in a cost-effective manner, or delays in customer purchasing decisions related to the evaluation of new products or services, could cause us to lose market share and could materially adversely affect our business. Furthermore, product development requires substantial investment and there is inherent risk in the R&D process. A successful product development process further depends on many other factors, including our ability to adapt to new technologies, demonstrate satisfactory clinical results and differentiate our products from those of our competitors. If we cannot successfully introduce new competitive products or adapt to changing technologies, our products may become obsolete and our net sales and profitability could suffer.

Issues with quality management or product quality could have an adverse effect on our business or cause a loss of customer confidence in us or our products, among other negative consequences.

The development of new or enhanced products involves a lengthy regulatory process and is capital intensive. As a result, our ability to match our production levels and capacity to market demand is imprecise and may result in a failure to meet market demand or satisfy customer requirements for our products or, alternatively, an oversupply of inventory. Increased costs relating to freight, raw materials or component parts and difficulties hiring and retaining staff have had, and may continue to have, a negative impact on product supply. Failure to meet market demand may result in customers transitioning to available competitive products, loss of market share, negative publicity, reputational damage, loss of customer confidence or other negative consequences (including a decline in stock price).

ark=20250719_0005071088819

Our success also depends on our ability to maintain and routinely improve product quality and our quality management program. Quality management plays an essential role in meeting customer requirements, preventing defects, improving our products and services and assuring the safety and efficacy of our products. While we have a quality system that covers the lifecycle of our products, quality and safety issues have occurred, and may in the future occur, with respect to our products. For example, we have experienced certain recalls, including related to our Novum IQ Syringe and infusion systems, SIGMA Spectrum pump and Life2000 Ventilator. New or unintended uses of our products (for example, in response to changing clinical practice) may also raise quality or safety issues. In addition, our customers' use of third parties to service or repair our products has caused, and may in the future cause, quality or safety issues, including due to such third parties' lack of knowledge of or training on our products. A quality or safety issue may result in negative publicity, product recalls (either voluntary or required by FDA or similar governmental authorities in other countries), adverse regulatory site inspection reports, voluntary or official action indicated classifications, warning letters, import bans or seizures, monetary sanctions, injunctions to halt manufacture and distribution of products, civil or criminal sanctions (which may include corporate integrity agreements), costly litigation, refusal of a government to grant approvals and licenses, restrictions on operations or withdrawal of existing approvals and licenses. See "Risks Relating to Legal and Regulatory Matters." An inability to address a quality or safety issue in an effective and timely manner may also cause negative publicity, potentially leading to a loss of customer confidence in us or our current or future products, which may result in the loss of sales and difficulty in successfully launching new products. Additionally, we have made, and could in the future make, significant investments in assets, including inventory and property, plant and equipment, which relate to potential new products or modifications to existing products. Product quality or safety issues may restrict us from being able to realize the expected returns from these investments, potentially resulting in asset impairments in the future.

Unaffiliated third-party suppliers provide a number of goods and services to our R&D, clinical and manufacturing organizations, many of whom do so on a spot basis and not pursuant to a contractual arrangement. Our ability to receive goods or services at all, or on reasonable financial terms, from these third parties will be impacted if they are unable or refuse to supply or service us. Moreover, we may have limited or no recourse if the goods or services are not subject to contractual terms. If we are unable to identify or secure regulatory approval for an alternative provider on reasonable terms, our ability to meet our obligations to our customers could be negatively impacted, which could adversely affect our financial results and our reputation. Additionally, third-party suppliers are required to comply with our quality standards and those of applicable regulatory bodies. Failure of a third-party supplier to provide compliant raw materials, component parts or supplies, give us adequate notice of issues or help us secure all required regulatory approvals for the use of their products or services has resulted in delays, service interruptions and quality-related issues, and may do so again in the future, and may negatively impact our business results and results of operations.

There is substantial competition in the product markets in which we operate and the risk of declining demand and pricing pressures could adversely affect our business, results of operations, financial condition and cash flows.

We face substantial competition in all of our markets from international and domestic healthcare medical products and pharmaceutical companies and providers of all sizes, and these competitors often differ across our businesses. Competition is primarily focused on cost-effectiveness, price, service, product performance and technological innovation.

Competition may increase further as additional companies begin to enter our markets, launch new products or modify their existing products to compete directly with ours. If our competitors respond more quickly to new or emerging technologies and changes in customer requirements, or we do not introduce new versions or upgrades to our product portfolio in response to those requirements, our products may be rendered obsolete or non-competitive. If our competitors develop more effective or affordable products or achieve earlier patent protection or product commercialization than we do, our business, results of operations, financial condition and cash flows will likely be negatively affected. For example, innovations in technology and care delivery models could materially adversely affect the demand for and future pricing and sale of our products and services. Furthermore, if we are forced to reduce our prices due to increased competition, our business could become less profitable.

In addition, many healthcare industry companies, including healthcare systems, distributors, manufacturers, providers and insurers, are consolidating or have formed strategic alliances. As the healthcare industry consolidates and new entrants emerge, competition to provide goods and services to industry participants has become, and will continue to become, more intense. Further, this consolidation creates larger enterprises with greater negotiating power, which they can use to negotiate price concessions. If we face an increase in costs or are unable to achieve targeted price increases because of industry consolidation or otherwise, the long-term nature of our customer

contracts or for other reasons, or if we lose customers as a result of consolidation, our business, results of operations, financial condition and cash flows could be adversely affected.

Demand for our products and services, and our overall growth, depend in large part on overall demand and growth in the healthcare market. With the healthcare market's increased focus on asset and resource efficiency, as well as reimbursement constraints and competitive dynamics, we have seen margins for some of our products decline and they may continue to do so over time. Any decline or lower-than-expected growth in the markets (or portions thereof) in which we operate or intend to operate could diminish demand for our products and services, which may adversely affect our financial performance. Further, the competitive pressures in our industry could cause us to lose market share unless we increase our commercial investments or reduce our prices, which could adversely impact our operating results. These factors, along with possible legislative, regulatory, macroeconomic and other developments, might result in significant shifts in market share among the industry's major participants, which includes us. Accordingly, if we are unable to effectively differentiate ourselves from our competitors in terms of new products and diversification of our product portfolio, then our market share, sales and profitability could be adversely impacted through lower volume or decreased prices.

If we fail to attract, develop, retain and engage key employees, including a permanent CEO and other members of our senior management, our business may suffer.

Our ability to compete effectively depends on our ability to attract, develop, retain and engage key employees, including people in senior management, sales, marketing, information technology and R&D positions. Competition for top talent in the healthcare industry can be intense, especially for experienced management and technical and professional employees, which could increase costs associated with identifying, attracting and retaining such individuals. Our ability to recruit, develop, retain and engage such talent depends on a number of factors, including hiring practices of our competitors, compensation and benefits (as may be impacted by any financial performance challenges, including any related impact on outstanding equity awards), work location, work environment (including our competitors' policies regarding remote or hybrid work arrangements), the market's perception of our strategic initiatives, including the recently completed Kidney Care sale, and industry economic conditions. Further, a lack of employee engagement could lead to loss of productivity and increased employee burnout, turnover, absenteeism, product quality incidents and decreased customer and patient satisfaction.

In addition, the loss of services of our senior management or other key employees could delay or prevent the achievement of our financial, operating or strategic objectives. In February 2025, we announced that José Almeida had ceased serving as Chair, President and CEO and the appointment of Brent Shafer, the former lead independent director of our Board of Directors, as Chair and interim CEO. We also announced the Board's initiation of a search for a permanent CEO. The timeline for identifying, retaining and integrating a new CEO is currently unknown. Any failure to timely identify and hire a new CEO and successfully integrate and transition that person into their new role within our company could adversely impact our ability to achieve our long-term financial, operating or strategic objectives. We have also experienced, and may continue to experience, attrition among our senior management team and key employees in recent years, including during the CEO search process. These leadership changes may be difficult to manage and may result in additional costs, uncertainty concerning our future direction, changes to our corporate culture, lower employee morale or the loss of personnel with deep institutional knowledge and industry relationships. Further, we have increased our dependency on the remaining members of our executive management team during the transition process. Our executive officers could terminate their employment with us at any time, and any such departure could be particularly disruptive in light of the recent leadership changes. The replacement of any of our senior management or other key employees involves significant time and costs, and any loss of services of any such key employee for any reason could significantly delay or prevent the achievement of our financial, operating or strategic objectives. If we are unable to mitigate these or other similar risks, our business, results of operations and financial condition may be adversely affected.

Pandemics and other public health emergencies, or the fear thereof, have had, and may in the future have, a material adverse effect on our business. The nature and extent of future impacts are uncertain and unpredictable.

Our global operations expose us to risks associated with public health emergencies, including epidemics and pandemics, such as the COVID-19 pandemic. Pandemics or other public health emergencies have adversely impacted, and may continue to adversely impact, our operations, supply chains and distribution systems, and have increased, and may continue to increase, our expenses, including due to preventive and precautionary measures that we, other businesses and governments have taken and may continue to take.

The COVID-19 pandemic adversely affected our business in many ways, including significant reductions and increases in demand for certain products, increased difficulty in serving customers, disruptions to manufacturing

ark=20250710-20250710108820

and supply chains, and negative effects on certain of the company's operations as well as the operations of its suppliers, distributors, customers, manufacturers and other third-party vendors. Further, pandemics or other public health emergencies may impact, and during COVID-19 impacted, the global economy, including negatively impacting economic growth, financial and capital markets, inflation rates, foreign currency exchange rates, interest rates, and the global supply chain. Any of these and other impacts have had, and could in the future have, a material adverse effect on our business, results of operations, financial condition and cash flows. The scope and duration of any future public health emergency will depend on a number of factors, including the potential emergence of a new or extended pandemic, the pace at which government restrictions are imposed and lifted and the extent of such restrictions, the scope of additional actions taken to mitigate the spread of disease and the availability and effectiveness and acceptance of vaccines. The effect of such a health emergency on our business will also vary based on the speed with and extent to which global markets and utilization rates for our products fully recover from the disruptions caused by such a public health emergency. The impact of these and other factors on our business, results of operations, financial condition and cash flows will depend on future developments that are highly uncertain and cannot be predicted with confidence.

Risks Relating to Our Operations

Segments of our business are significantly dependent on major contracts with GPOs, IDNs and certain other distributors and purchasers.

A portion of our U.S. hospital sales and rentals are made pursuant to contracts with hospital GPOs. At any given time, we are typically at various stages of responding to bids, negotiating and renewing expiring GPO agreements, some of which contain failure to supply clauses with varying remedies, inclusive of limited termination rights. Failure to be awarded or to maintain certain of these agreements could have a material adverse effect on our business, including product sales and service and rental revenue. In addition, we have faced and continue to face challenges related to increasing costs associated with these agreements (associated with ongoing supply chain challenges and inflation), which have negatively impacted our revenues and may continue to do so in the future.

Our participation in these agreements often requires increased discounting or restrictions on our ability to raise prices, and failure to participate or to be awarded these agreements might result in a reduction of sales to the member hospitals. In addition, in recent years, select market participants have shown an increased focus on individual GPO members negotiating directly with manufacturers on committed contracts. IDNs and health systems, when negotiating directly with manufacturers, often request additional discounts or other enhancements. Further, certain other distributors and purchasers have similar processes to the GPOs and IDNs and failure to be included in agreements with these other purchasers could have a material adverse effect on our business.

We may not be successful in achieving expected operating efficiencies and sustaining or improving operating expense reductions and may experience business disruptions and adverse tax consequences associated with restructuring, realignment and cost reduction activities.

Portions of our business have been, and may in the future be, the subject of restructuring, realignment and cost reduction initiatives. For example, we recently divested our BPS and Kidney Care businesses and have implemented a simplified operating model. While we are undertaking these actions, as well as any future initiatives, with the goal of realizing potential efficiencies, we may not be successful in achieving efficiencies and cost reduction benefits we expect in full or at all. Further, such benefits might be realized later than expected, and the ongoing costs of implementing these measures might be greater than anticipated. If these measures are not successful or sustainable, we might undertake additional realignment and cost reduction efforts, which could result in future charges. Moreover, our ability to achieve our other business plans might be adversely affected, and we could experience business disruptions, if our restructuring and realignment efforts and our cost reduction activities prove ineffective. These actions, the resulting costs, and potential delays or potential lower than anticipated benefits might also impact our foreign tax positions and might require us to record tax reserves against certain deferred tax assets in our international business.

If we are unable to obtain sufficient components or raw materials on a timely basis or for a cost-effective price or if we experience other manufacturing, sterilization, supply or distribution difficulties, our business, results of operations, financial condition and cash flows may be adversely affected.

The manufacture of our products requires, among other things, the timely supply or delivery of sufficient amounts of quality components and raw materials. We manufacture our products in approximately 40 principal manufacturing locations. We acquire our components, raw materials and other requirements for manufacturing from many suppliers and vendors in various countries, including sometimes from ourselves for self-supplied requirements. We

endeavor, either alone or working closely with our suppliers, to ensure the continuity of our inputs and supplies, but these efforts may not always be successful.

Further, while efforts are made to diversify certain of our sources of components and raw materials, in certain instances we have made a strategic determination to use a single source or supplier or there is only a sole source or supplier with no acceptable alternatives yet identified and, as applicable, qualified. This reliance on sole or limited source suppliers exposes us to several risks that could adversely affect our business, financial condition and results of operations. The disruption or termination of the supply of these components could cause significant production interruptions, delays and inefficiencies. In the event of a disruption, establishing additional or replacement suppliers for such materials or components may not be timely or cost-effective due to market constraints or regulatory requirements. The process of qualifying new suppliers may be lengthy and complex, requiring approval of materials and components prior to their use in our products from governmental agencies, such as FDA and other worldwide regulatory agencies. As a result, we may experience lengthy delays in resuming production of affected products, which could lead to lost sales, loss of market share and harm to our reputation. Our reliance on sole source suppliers may also lead to increased costs. If we are unable to pass these cost increases on to our customers, our business and results of operations could be adversely impacted.

Additionally, we obtain certain components and materials on a spot basis from third-party suppliers with whom we do not have contractual arrangements. A reduction, interruption or suspension in supply, other supply chain issues, including those due to the revocation of distribution facilities' licenses or as a result of our recently completed strategic initiatives (including the recent sale of our Kidney Care business), and our inability to quickly develop acceptable alternative sources for such supply could adversely affect our ability to manufacture, distribute and sell our products in a timely or cost-effective manner. Such supply chain issues could also prevent us from satisfying obligations under one or more of our customer contracts or arrangements, which could result in significant failure to supply penalties, which in some instances include contract termination rights or may prevent us from participating in future tenders. We have faced, and may in the future face, difficulties obtaining supplies of key materials, such as electromechanical components, active ingredients for pharmaceuticals and resins, due to supply chain disruptions and global pandemics. Moreover, changes in regulation, world trade policies, international taxes and government-to-government relations and issues with export and import activities could negatively impact our ability to distribute products within a country and across countries. See "Risks Relating to Legal and Regulatory Matters."

Additionally, our success depends upon the availability and quality of our products and the underlying raw materials and component parts. The medical products and pharmaceutical industries are competitive and subject to complex market dynamics and varying demand levels. These levels vary in response to economic conditions, regulatory requirements, seasonality, natural disasters, wars, acts of terrorism, pandemics, epidemics and other matters.

Significant increases in the cost of raw materials, sub-assemblies or materials used in the production of our products that cannot be recovered through increased prices of our products (or the unavailability of those raw materials, sub-assemblies or production materials) have adversely affected our business, results of operations, financial condition and cash flows and may continue to do so in the future. There can be no assurance that the marketplace will support higher prices or that such prices and productivity gains will fully offset any commodity cost increases in the future. From time to time, we enter into fixed price supply contracts with respect to raw material purchases. Future decisions not to enter into fixed price supply contracts may result in increased cost volatility, potentially adversely impacting our profitability. Volatility in the demand for our products or our costs of energy, transportation, freight, raw materials and component parts and other supply, manufacturing, distribution and warehousing or storage costs have adversely affected, and could in the future adversely affect, our business, results of operations, financial condition and cash flows and have prevented, and may continue to prevent, suppliers from providing goods and services to us on reasonable terms or at all. See also "Risks Relating to Our Financial Performance and Our Common Stock—Global economic conditions, including inflation and supply chain disruptions, have adversely affected, and could continue to adversely affect, our operations."

Many of our products are difficult to manufacture. This is due to the complex nature of manufacturing devices and pharmaceuticals, including biologics, as well as the strict regulatory regime governing our manufacturing operations. Variations in the manufacturing process may result in production failures, which could lead to launch delays, product shortage, unanticipated costs, lost revenues and damage to our reputation. A failure to identify and address manufacturing problems prior to the release of products to our customers may also result in a quality or safety issue of the type discussed in the "Risk Factors" section.

We rely heavily on a limited number of providers of transport services for reliable and secure point-to-point transport of our products to our customers and patients and for tracking of these shipments, and from time to time we require warehousing for our products. If any of these providers were to encounter delivery performance issues such as loss, damage or destruction of any systems or machines, it would be costly to replace such systems or machines in a

timely manner and such occurrences may damage our reputation and lead to decreased demand for our products and increased cost and expense to our business.

Some of our products are manufactured at a single manufacturing facility or stored at a single storage site. Additionally, some of our manufacturing facilities are located in the same geographic area. Loss or damage to, or closure of, a manufacturing facility or storage site due to a natural disaster, such as we experienced as a result of Hurricane Helene, war, acts of terrorism or otherwise has adversely affected, and could in the future adversely affect, our ability to manufacture sufficient quantities of key products or deliver products to meet customer demand or contractual requirements, which has resulted, and may in the future result, in a loss of revenue and other adverse business consequences, including those identified in the paragraphs above. We may be unable to transfer manufacturing of the relevant products to another facility or location in a cost-effective or timely manner, if at all. This potential inability to transfer production could occur for several reasons, including a lack of necessary relevant manufacturing capability at another facility, or the regulatory requirements of FDA or other governmental regulatory bodies. Such an event could materially negatively impact our business, results of operations, financial condition and cash flows.

In addition, several of our manufacturing facilities are leased and we may not be able to renew leases on favorable terms or at all. Because of the time required to approve and license a manufacturing facility, a third-party manufacturer may not be available on a timely basis (if at all) to replace production capacity in the event we lose manufacturing capacity or products are otherwise unavailable. Any of the foregoing could adversely affect our business, results of operations, financial condition and cash flows.

Some of our products require sterilization prior to sale or distribution, and we utilize both Baxter-owned and third-party facilities for this process. If an event occurs that results in damage to or closure, whether temporarily or permanent, of one or more of these facilities, we may be unable to manufacture or sterilize the relevant products at prior levels or at all, and a third party may not be available on a timely basis (if at all) to replace sterilization capacity.

For example, in September 2024, Hurricane Helene brought unprecedented rain and extensive flooding to Western North Carolina, which impacted our North Cove facility. We temporarily closed our North Cove facility to undertake remediation efforts, some of which remain ongoing. Further, in 2021, our facility in Mountain Home, Arkansas entered into a Consent Administrative Order with the Arkansas Division of Environmental Quality relating to certain air emissions control technology used to reduce ethylene oxide emissions from sterilization equipment. These and other events or disruptions of manufacturing or sterilization processes that we or third parties may experience, whether due to a lack of capacity, environmental, regulatory or compliance issues (including evolving regulatory requirements), catastrophic events or otherwise, have resulted in, and could in the future result in, product shortage, unanticipated costs, loss of revenues, operational restrictions, additional capital expenditure requirements, litigation and damage to our reputation, all of which could have a material adverse effect on our business, results of operations, financial condition and cash flows.

Breaches and breakdowns affecting our information technology systems or protected information, including from obsolescence, cyber security breaches and data leakage, could have a material adverse effect on our business, results of operations, financial condition, cash flows, reputation and competitive position.

We rely upon information technology systems and infrastructure, including services provided by our partners and third parties, to support our business, facilities, products and customers. For example, we routinely rely on technology systems and infrastructure in the collection, use, storage and transfer, disclosure and other processing of voluminous amounts of protected information, including personal data, protected health information, and sensitive data (of patients, employees, customers and third parties) as well as confidential, business, financial, and other sensitive information (collectively, Protected Information). We also rely on systems for our business model, including product development, manufacturing, order management, distribution, customer service, regulatory compliance and various other matters. Certain of our products and systems collect Protected Information regarding patients and their therapies and some are internet enabled or connect to our systems for maintenance and other purposes. The acquisition of Hillrom in December 2021 meaningfully increased the number of these products and systems within our portfolio. Some of our products connect to the internet, hospital networks, electronic medical record systems or electronic health record systems. Further, we expect that the breadth and complexity of our information and technology systems and infrastructure will increase as we expand our product offerings to utilize and generate data analytics and potentially artificial intelligence (AI) (which create emerging enterprise risks, including cybersecurity, monitoring, and oversight). See "Risks Relating to Our Operations – Incorporating artificial intelligence, machine learning and other emerging technologies into our products, services and operations may result in legal and regulatory risks, reputational harm or have other adverse consequences to our business, financial condition or

ank_20250710_10-K_20250719_110827

results of operations". The continuing evolution of technology we use, including cloud-based computing and data hosting as well as AI, and reliance on third parties and Software as a Service solutions, whom may also use cloud-based computing and data hosting or AI tools, create additional opportunities for the unintentional, intentional, unauthorized or unlawful disclosure, exposure, dissemination, loss, alteration, access or destruction of Protected Information stored or processed in our devices, systems, servers, infrastructure and products (collectively, Technology). Security threats, including cyber and other attacks, have become very sophisticated, frequent and adaptive.

Our Technology is vulnerable to breakdown, interruption, cyber and other security attacks, system malfunction, unauthorized access, inadvertent exposure or disclosure of information, theft and other events and requires at times requires the manual application of security upgrades or patches on each machine or device that utilizes the Technology. Third-party systems and solutions that we rely upon are also vulnerable to the same risks and may contain defects in design or manufacture or other problems that could result in system disruption or compromise the information security of our own systems and products. Any such vulnerability could compromise our Technology and could expose Protected Information to unauthorized third parties and/or cause temporary or permanent loss or unavailability of such Protected Information. In addition, our Technology may cause product functionality issues that could result in risk to patient safety, field actions or product recalls. We, like other global companies, have experienced cyber incidents in the past (including ones related to the unauthorized access to or disclosure of data), and may experience them in the future. These events have exposed and may continue to expose vulnerabilities in our information technology systems. There is no assurance that our investments in the protection of data and Technology (i) have prevented or will prevent future breakdowns, attacks or breaches in our Technology, cyber incidents or other incidents or (ii) ensure compliance with all applicable cybersecurity and privacy laws, regulations and standards, including with respect to third-party service providers that host or process Protected Information on our behalf. Any failure to protect against such incidents or non-compliance with applicable security and privacy laws, regulations and standards could lead to substantial and material regulatory fines and penalties, business disruption, reputational harm, financial loss or litigation, as well as other damages. Misappropriation or other loss of our intellectual property from any of the foregoing may have an adverse effect on our competitive position and may cause us to incur substantial litigation costs. See "Risks Relating to Legal and Regulatory Matters." As our customers and FDA and other global regulators, including data protection authorities or supervisory bodies, become more sensitive to risks related to cybersecurity, our ability to meet certain information technology safety standards or evolving customer demands could affect our products' marketability and competitiveness. We could also suffer strained relationships with customers, business partners, physicians and other healthcare professionals, increased costs (for security measures, remediation or otherwise), litigation (including class actions and stockholder derivative actions) or other negative consequences (including a decline in stock price) as a result of breaches, cyber and other security attacks, industrial espionage, ransomware, phishing scams, malware or other cyber incidents, which could compromise our system infrastructure and/or lead to data leakage, including at our third-party providers or other business partners. The insurance we have procured related to cybersecurity risks may not cover a particular cyber incident or such coverage may be insufficient.

In addition, Technology management issues arise from time-to-time as we continue to consolidate and outsource certain information technology support activities and certain computer operations and application support activities as a result of our ongoing business transformation activities and cost saving initiatives.

Additionally, our ongoing integration of Hillrom and the recent sale of our Kidney Care business, as well as a number of our employees having fully remote or hybrid work arrangements expose us to, among other things, heightened risks related to our information technology systems and networks, including cyber attacks, computer viruses, malicious software, security breaches and telecommunication failures, both for systems and networks we control directly and for those that employees and third-party developers rely on to work remotely. We also face all of the same risks listed above and other heightened risks when acquiring a company, in particular if we need to transition or implement certain processes or controls with the acquired company. For example, as we continue to integrate Hillrom into our business, we have identified certain potential areas of vulnerability as we transition its information technology systems, products and processes to our processes and controls, including with respect to cybersecurity and privacy matters. We are also subject to risks associated with Vantive's information technology systems, which we will help support during the period of the related transition services agreement. For example, there may be additional risks during the term of such agreement related to data protection, cyber attacks and information technology system provisioning relating to Vantive, its customers and its vendors. While we are working to fully address those vulnerabilities (consistent with our processes and controls), any such vulnerabilities (or any others) if unidentified or unremediated could have a material adverse effect on our business, results of operations, financial condition and cash flows.

10-20250711089222 ank=20250711

Incorporating artificial intelligence, machine learning and other emerging technologies into our products, services and operations may result in legal and regulatory risks, reputational harm or have other adverse consequences to our business, financial condition or results of operations.

We use AI and machine learning (ML) technologies to support our operations and anticipate integrating such technology in select products and services in the future. We further anticipate that AI and ML will become increasingly important to our innovation and competitiveness in the future. However, we face risks and uncertainties related to the development, adoption and use of AI, ML and other emerging technologies, including complying with an increasingly large amount of complex global regulations related specifically to AI and ML.

We may not be able to successfully develop, integrate or deploy AI or ML technologies in our products and services, or we may face delays, increased costs or technical difficulties in doing so. We may also encounter difficulties in obtaining or maintaining the necessary regulatory approvals or clearances for these products and services, or face increased scrutiny or liability from regulators, customers, or other stakeholders regarding the safety, effectiveness, accuracy, reliability, security or ethical implications of such technology. We also may have more difficulty protecting or enforcing our data and intellectual property rights as a result of these technologies, and there may be a risk of infringing on the intellectual property rights of others which could lead to litigation, arbitration or other disputes over the ownership, validity, scope or enforcement of our or others' patents, trademarks, copyrights, trade secrets or other proprietary rights related to AI and ML technologies. Such disputes could be costly, time-consuming and disruptive to our business. See "Risks Relating to Legal and Regulatory Matters – If we are unable to protect or enforce our patents or other proprietary rights, or if we become subject to claims or litigation alleging infringement of the patents or other proprietary rights of others, our competitiveness and business prospects may be materially damaged"

We may experience breaches, failures or disruptions of information technology systems or products (whether ours or those of third parties on which we rely) that use or rely on AI, ML or emerging technologies We have also experienced and may experience in the future unauthorized or unlawful access, use, disclosure, alteration or destruction of the data or information that we collect, store, process or transmit for our applications, including data or information provided to us by third parties. These events could result from cyber attacks, human error, natural disasters, power outages, sabotage or other causes, and could compromise the confidentiality, integrity or availability of our or our customers' data or information, or the functionality or performance of our AI and ML-enabled products and services. These events could result in loss of customer confidence, reputational harm, regulatory investigations or actions, legal claims or liabilities, remediation costs or other negative consequences.

Climate change, or legal, regulatory or market measures to address climate change, could adversely affect our business, results of operations, financial condition and cash flows.

The long-term effects of climate change are difficult to predict and may be widespread. The impacts of climate change may include physical risks (such as water scarcity, rising sea levels or frequency and severity of extreme weather conditions, including natural disasters such as hurricanes, cyclones and typhoons), social and human effects (such as population dislocations or harm to health and well-being), compliance costs and transition risks (including due to regulatory or technology changes), shifts in market trends (for example if customers increasingly prioritize purchasing products that are sustainably made and that can be reused or recycled) and other adverse effects. Such impacts, such as damage to manufacturing facilities (including as a result of Hurricane Helene), local infrastructure and utilities have disrupted, and may in the future disrupt, our supply chain and manufacturing operations by adversely affecting our ability to procure goods or services required for the operation of our business at the quantities and levels we require due to impairment of the availability and increases in the cost of certain products, materials, commodities and energy. For example, material or sustained increases in the price of oil have had an adverse impact on the cost of many of the plastic materials or resins we use to make and package our products, as well as our transportation/freight costs. Further, the impacts of climate change, particularly severe weather events and droughts, may have negatively impacted, and may in the future negatively impact, our ability to obtain material energy and water sources and other resources, including employee availability and access to shipping routes. Any of these outcomes may, in turn, result in customers transitioning to available competitive products, loss of market share, negative publicity, reputational damage, loss of customer confidence or other negative consequences, such as a decline in stock price. Further, any perceived increase in the potential of severe weather events and business interruption may put an upward pressure on the cost of our risk insurance premiums, which could adversely impact our business, results of operations, financial condition and cash flows.

In addition, the increasing concern over climate change has resulted in, and may continue to result in, more local, state, regional, federal and global legal and regulatory requirements relating to climate change, including regulating greenhouse gas emissions and related reporting requirements (and the establishment of enhanced internal

processes or systems to track them), alternative energy policies and sustainability initiatives. Legislation and regulations have been, and may continue to be, enacted and promulgated in the United States, United Kingdom, EU or in any other jurisdictions in which we do business that impose more stringent restrictions and requirements than our current legal or regulatory obligations (as a result of our publicly disclosed corporate responsibility (CR) goals or otherwise), we may experience disruptions in, or increases in the costs associated with research, development, sourcing, manufacturing and distributing our products. Additionally, rising climate change concerns have led to, and could continue to lead to, additional regulation that could increase our compliance costs. As a result, any such regulatory changes could have a significant adverse effect on our business, financial condition, result of operations and cash flows.

Furthermore, companies across all industries are facing increasing scrutiny from investors, regulators, and other stakeholders related to their CR commitments, performance, and disclosures, including those related to climate change, social matters, and governance standards. See "Risks Relating to Our Operations – Our commitments, goals and disclosures related to corporate responsibility matters, and the perception of our activities in these areas, may adversely impact the company, including reputational harm."

Our commitments, goals and disclosures related to corporate responsibility matters, and the perception of our activities in these areas, may adversely impact us, including through reputational harm.

Governmental authorities, investors, customers, employees, certain institutional investors, lenders and other stakeholders are increasingly focused on CR commitments, practices, performance and disclosures, and in recent years have placed increasing importance on social costs and related implications of their investments. Our CR goals, some of which may be reset or reframed or reset in connection with the issuance of our 2024 Corporate Responsibility Report or otherwise, reflect our current plans and aspirations and are not guarantees that we will be able to achieve them.

We risk negative stockholder reaction, as well as damage to our brand and reputation and other potential costs, if we fail to meet our goals and initiatives, if we fail to accurately measure or report our progress with respect to our goals and initiatives or if we are perceived to not be acting responsibly in key CR areas, including product quality and safety, environmental stewardship, support for local communities, corporate governance and transparency, and addressing human capital factors in our operations. Responding to these CR considerations and implementation of our CR goals and initiatives involves risks and uncertainties, requires investments (some of which still need to be funded or identified), and depends in part on our relative performance (or perceived performance) against third-parties that is beyond our control.

Additionally, organizations that provide information to investors on corporate governance and related matters have developed ratings processes for evaluating companies on their respective approaches to CR matters, which are increasingly being employed by investors, lenders, and customers to inform their investment, financing, or purchasing decisions. A failure to adequately meet stakeholder expectations, which may differ or conflict, may result in the loss of business, reputational impacts, diluted market valuation, an inability to attract customers, and an inability to attract and retain talent.

In addition, some stakeholders may disagree with our CR goals and initiatives. If we do not meet the evolving and varied CR expectations of our investors, customers, employees and other stakeholders, we could experience reduced demand for our products, loss of customers and employees and suffer other negative impacts to our business and results of operations.

We are subject to risks associated with doing business globally.

Our operations are subject to risks inherent in conducting business globally and under the laws, regulations and customs of various jurisdictions and geographies. These risks include changes in exchange controls and other governmental actions, loss of business in government and public tenders that are held annually in many cases, increasingly complex labor environments, availability of raw materials and component parts, changes in taxation, tariffs, sanctions, embargos, export control restrictions, changes in or violations of U.S. or local laws, dependence on a few government entities as customers, pricing restrictions, economic and political instability, monetary or currency volatility or instability (including as it relates to the U.S. Dollar, the Euro, the Mexican Peso and currencies in emerging market countries), disputes between countries, trade relationships and conflicts, diminished or insufficient protection of intellectual property, and disruption or destruction of operations in a significant geographic region regardless of cause, including natural disaster, pandemic, power loss, cyber attack, data breach, war, terrorism, riot, labor disruption, civil insurrection or social unrest. Failure to comply with, or material changes to, the laws and regulations that affect our global operations could have an adverse effect on our business, results of operations, financial condition and cash flows.

10-K 1 202507-10k23.htm 10-K

The escalating global economic competition and trade tensions among the United States and its trading partners (including China and Russia) could have an adverse effect on our business, results of operations, financial condition and cash flows, and there is risk of additional tariffs and other kinds of restrictions, including in connection with the transition to new political administrations. Tariff exclusions awarded to us by the United States Government require annual renewal, and policies for granting exclusions could shift. The United States and other countries could impose other types of restrictions such as limitations on government procurement or technology export restrictions, which could affect our access to the markets. See also "Risks Relating to Legal and Regulatory Matters—We are subject to a number of laws and regulations, non-compliance with which could adversely affect our business, results of operations, financial condition and cash flows, and we are susceptible to a changing regulatory environment."

More generally, several governments have raised the possibility of policies to induce "re-shoring" of supply chains, less reliance on imported supplies and greater national production. If such steps triggered retaliation in other markets, such as by restricting access to foreign products by their government-owned healthcare systems, the outcomes could have an adverse effect on our business, results of operations, financial condition and cash flows.

A portion of our workforce is unionized, and we could face labor disruptions that would interfere with our operations.

Some of our employees both in and outside of the United States work under collective bargaining agreements or national trade union agreements or are subject to works councils. Significant work stoppages as a result of labor disagreements may occur in the future, including as a result of any failure to maintain the collective bargaining agreements we have in place for one of our U.S. manufacturing facilities (which are scheduled to expire in January 2027 and January 2029). Our inability to negotiate satisfactory new agreements or a labor disturbance at any of our manufacturing facilities could have a material adverse effect on our operations.

Risks Relating to Legal and Regulatory Matters

We are subject to a number of laws and regulations, non-compliance with which could adversely affect our business, results of operations, financial condition and cash flows, and we are susceptible to a changing regulatory environment.

As a participant in the healthcare industry, our operations and products, and those of our customers, are regulated by numerous government agencies, both inside and outside the United States.

Laws and regulations, such as the Patient Protection and Affordable Care Act and the Health Care and Education Reconciliation Act (collectively, the Healthcare Reform Act), aim to decrease costs through comparative effectiveness research and pilot programs to evaluate alternative payment methodologies. Compliance with these and similar regulations could result in pricing pressure or negatively impact the demand for our products. In a number of situations, even though specific laws and regulations may not directly apply to us, our products must be capable of being used by our customers in a manner that complies with those laws and regulations.

The manufacture, distribution, marketing and use of our products are subject to extensive regulation and scrutiny by FDA and other regulatory authorities globally, and such regulations require that we obtain specific approval, clearance, or certifications from FDA or applicable non-U.S. regulatory authorities or notified bodies before we can market and sell most of our products in a particular country. Failure to obtain or maintain those approvals, clearances or certifications have had, and could in the future have, an adverse impact on our business, including with respect to our ability to compete in the product markets in which we currently operate. Specific new products must undergo lengthy and rigorous testing and other extensive, costly, and time-consuming procedures mandated by FDA and foreign regulatory authorities. The same testing and procedures sometimes apply to our products that require authorization or renewal or are subject to changes in laws or regulations. For example, our medical devices that are sold or distributed in the EU have to comply with the EU Medical Device Regulation that entered into force in May 2021. This Medical Device Regulation currently provides a staggered phase-in period for manufacturers to comply with related regulations through December 2028. These regulations require companies that wish to manufacture and distribute medical devices in EU member states to meet certain quality system and safety requirements and ongoing product monitoring responsibilities and obtain a "CE" marking (i.e., a mandatory conformity marking for certain products sold within the European Economic Area) for their products. Various penalties exist for non-compliance with the laws implementing the European Medical Device Regulations which, if incurred, could have a material adverse impact on portions of our business, results of operations, financial condition and cash flows. Changes to current products may be subject to vigorous review, including FDA 510(k) and other regulatory submissions, and marketing authorization or the time needed to secure approvals are not certain. We may not be able to obtain such approvals on the timing or conditions we expect, or at all. Our facilities must be registered, approved and/or licensed prior to production and remain subject to inspection from time to time

thereafter. Failure to comply with the requirements of FDA or other regulatory authorities, including requirements related to good manufacturing practice and adverse event reporting, has resulted in, and could in the future result in, warning letters, import restrictions, product recalls or seizures, monetary sanctions, reputational damage, injunctions to halt the manufacture and distribution of products, civil or criminal sanctions, refusal of a government to grant approvals or licenses, restrictions on operations or withdrawal of existing approvals and licenses. The failure of our suppliers to comply with applicable regulations could also adversely affect segments of our business as regulatory actions taken by FDA or other regulatory authorities against those manufacturers, or actions we are required to take to comply with regulatory requirements with respect to services and goods furnished by our suppliers, can result in product shortages, recalls or modifications. Any of these actions could cause a loss of customer confidence in us and our products, which could adversely affect our sales. Further, legislation in the European Union is being enacted to require companies to conduct risk assessments on the sustainability practices and procedures of their suppliers and mitigate certain sustainability risks, including the EU Deforestation Regulation and EU Corporate Sustainability Due Diligence Directive. If our suppliers, including those outside of the European Union, are unable or unwilling to comply with the sustainability standards under the legislation, or if we fail to comply with the risk assessment requirements, we may experience an adverse impact on our ability to manufacture or supply certain products as well as increased costs and interruptions in the supply chain. We could be subject to litigation, substantial fines and other damages if we fail to comply with the risk assessment requirements, which could adversely impact our financial condition and results of operations.

Our business is also subject to risks associated with U.S. and foreign legislation, regulations and trade agreements (including those resulting from the transition to new political administrations) relating to the materials we import, including quotas, duties, tariffs or taxes, and other charges or restrictions on imports and the nature of materials that can be used in our products, which could adversely affect our operations and our ability to import materials used in our products at current or increased levels. For example, the United States has recently enacted and proposed to enact significant new tariffs, including a 25% tariff on imports from Mexico and Canada into the United States. While these tariffs are currently suspended while negotiations take place for a long-term agreement, there continues to exist significant uncertainty about the future relationship between the U.S. and other countries (including China) with respect to trade policies, treaties and tariffs. These developments, or the perception that they could occur, may have a material adverse effect on global economic conditions and the stability of global financial markets, and may significantly reduce global trade and, in particular, trade between the impacted countries. Additionally, as we currently have manufacturing operations in Mexico in support of our Healthcare Systems & Technologies and Medical Products & Therapies businesses, a 25% tariff on all imports from Mexico would increase the cost of our products manufactured in Mexico and adversely impact our business, results of operations, financial condition and cash flows.

We cannot predict whether additional U.S. and foreign customs quotas, duties (including antidumping or countervailing duties), tariffs and any retaliatory counter measures, taxes or other charges or restrictions, requirements as to where raw materials and component parts must be purchased, additional workplace regulations or other restrictions on our imports will be imposed in the future or adversely modified, or what effect such actions would have on our costs of operations. Recently imposed or future quotas, duties or tariffs and any retaliatory counter measures may have a material adverse effect on the cost of our products and the related components and raw materials and our ability to sell products and services outside the United States. Future trade agreements or modifications to existing trade agreements could also provide our competitors with an advantage over us, which could have a material adverse effect on our business, results of operations, financial condition and cash flows. The ultimate impact of any tariffs and any retaliatory counter measures will depend on various factors, including if any tariffs are ultimately implemented, the timing of implementation, and the amount, scope and nature of the tariffs. See also "Risks Relating to Our Operations—We are subject to risks associated with doing business globally."

The sales, marketing and pricing of products and relationships that medical device and pharmaceutical companies have with healthcare providers are under increased scrutiny by federal, state and foreign government agencies. Compliance with the Anti-Kickback Statute, False Claims Act, Food, Drug and Cosmetic Act (including as these laws relate to off-label promotion of products) and other healthcare-related laws, as well as competition and export and import laws, is under increased focus by the agencies charged with overseeing such activities. The Department of Justice and the SEC are focused on the enforcement of the U.S. Foreign Corrupt Practices Act (FCPA), particularly as it relates to the conduct of medical product and pharmaceutical companies. The FCPA and similar anti-bribery laws generally prohibit companies and their employees, contractors or agents from making improper payments to government officials for the purpose of obtaining or retaining business. Healthcare professionals in many countries are employed by the government and consequently may be considered government officials. Foreign governments are also focused on examining medical product and pharmaceutical companies' sales and marketing activities and relationships with healthcare providers and competitive practices generally. The laws and standards governing the

promotion, pricing, sale and reimbursement of our products and those governing our relationships with healthcare providers and governments, including the Physician Payments Sunshine Act, are complicated, subject to frequent change and may be violated unknowingly. Compliance with these and similar laws (or failure to comply with these laws) could have a material adverse effect on our business, results of operations, financial condition and cash flows. Additionally, failure to comply with applicable laws or our internal policies has resulted in, and may in the future result in, the departure or termination of key personnel, which has the potential of disrupting our operations or future performance. Furthermore, governments have chosen (as in the case of the Chinese government) or may choose to prioritize anti-corruption efforts in the healthcare sector as part of their law enforcement activities.

We are also subject to environmental laws, which are becoming more stringent throughout the world. For example, the Environmental Protection Agency regulates the use of ethylene oxide for sterilization of medical devices and is increasingly focused on reducing emissions from the ethylene oxide sterilization process, which has increased our costs of operations and necessitated changes to our manufacturing plants and processes. Additionally, the European Economic Area (EEA) has banned the use of Bis(2-ethylhexyl) phthalate (DEHP) in the immediate packaging of medicinal products, unless an authorization is granted. There is no guarantee that we will be able to obtain and maintain such authorization. The EEA is also phasing out the use of DEHP in medical devices by 2030 and is considering imposing restrictions on the use of per- and polyfluoroalkyl substances, and polyvinyl chloride and its additives. Further, the EEA has prohibited the use of desflurane as an inhalation anesthetic by 2026, except in instances where alternatives cannot be used for medical grounds, and this legislation also requires fluorinated gases to be captured. Other governments globally have limited or prohibited, or are considering limiting or prohibiting, the use of certain chemicals, including polyvinyl chloride, diethyl phthalate and DEHP. These regulatory changes could materially adversely impact our ability to manufacture or supply certain products. Moreover, increased regulatory scrutiny around potential impurities, such as nitrosamines, in our products could lead to regulatory and legal actions, product recalls and seizures, fines and penalties, interruption of production leading to product shortages, import bans or denials of import certifications, delays or denials in new product approvals or line extensions or supplemental approvals of current products pending resolution of the issues, and reputational harm, any of which could adversely affect our business. Other environmental laws may have similar consequences for us or our suppliers, or result in liability to us.

Additionally, the U.S. Department of the Treasury's Office of Foreign Assets Control and the Bureau of Industry and Security at the U.S. Department of Commerce administer laws and regulations that restrict U.S. persons and, in some instances, non- U.S. persons, in conducting activities, transacting business or making investments in certain countries or regions, or with governments, entities and individuals subject to U.S. economic sanctions. From time to time, certain of our subsidiaries have limited business dealings with and/or provide humanitarian donations to jurisdictions subject to sanctions and/or embargoes. These dealings represent an insignificant amount of our combined net sales and income but expose us to an increased risk of operating in these jurisdictions, including foreign exchange risks or restrictions or limitations on our ability to access funds generated in these jurisdictions or the risk of violating applicable sanctions or regulations, which are complex and subject to frequent change.

Our ethics and compliance programs, training, monitoring and policies may not always protect us from conduct by individual employees that violate these laws. Violations or allegations of violations of these laws may result in large civil and criminal penalties, debarment or exclusion from participating in government programs, diversion of management time, attention and resources and may otherwise have an adverse effect on our business, results of operations, financial condition and cash flows.

The laws and regulations discussed above are broad in scope and subject to evolving interpretations and changes, which may be violated unknowingly, could require us to incur substantial costs regarding compliance or to alter our sales and marketing practices and may subject us to enforcement actions or litigation, and of which could adversely affect our business, results of operations, financial condition and cash flows. We cannot predict with certainty what laws, regulations and healthcare initiatives, if any, will be implemented, or what the ultimate effect of healthcare reform or any future legislation or regulation will have on us. For more information related to ongoing government investigations, see Note 8 in Item 8 of this Annual Report on Form 10-K. For more information on regulatory matters currently affecting us, including quality-related matters, see "Certain Regulatory Matters" in Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations of this Annual Report on Form 10-K.

Increasing regulatory focus on privacy, artificial intelligence and cybersecurity issues and expanding laws could impact our business and expose us to increased liability.

As a global company, we are subject to global data privacy, AI and cybersecurity laws, regulations and codes of conduct that apply to our businesses. We are required to comply with increasingly complex and changing legal and regulatory requirements and frameworks in the United States and in other countries that govern not only the

0250710-202507110824 ank-20250710 2025

collection, use, storage, security, transfer, disclosure and other processing of protected health information and personal and sensitive data, but also the development and use of AI, the sharing of certain data and timely disclosure of cybersecurity incidents. Further, new and emerging digital and technology laws are gradually being implemented globally and have a strong interplay with data, privacy, AI and cybersecurity rules, which contributes to the complexity of the regulatory landscape. In the United States, we are subject to the Health Insurance Portability and Accountability Act, as amended (HIPAA), the Health Information Technology for Economic and Clinical Health Act and the California Consumer Privacy Act (the CCPA) and California Privacy Rights Act as well as other new and emerging state laws. HIPAA imposes stringent data privacy and security requirements, and the regulatory authority has imposed significant fines and penalties on organizations found to be out of compliance. The CCPA provides consumers with a private right of action against companies that have a security breach due to a lack of appropriate security measures. In addition, to the U.S. Department of Health and Human Services and the Federal Trade Commission's enforcement activity has become more intense, with higher fines, in areas related to heath data that are out of scope of HIPAA. Further, we are, or will be, subject to the EU's General Data Protection Regulation (the GDPR) the EU Data Act, the Artificial Intelligence Act, and the NIS2 Directive, an EU wide cybersecurity legislation, which became fully in force in 2024. The GDPR imposes stringent EU data protection requirements and provides for significant penalties for noncompliance, including heightened fines as compared to prior years. The EU Data Act sets regulatory requirements for data access, sharing, and usage while the AI Act will impose significant obligations on the development and use of AI systems, both of which will impact how we develop medical devices for the EU market. Governmental bodies are increasingly imposing AI related regulation as well as cyber incident disclosure regulations with differing criteria for what incidents must be reported as well as the timelines in which to report them.

We or our third-party providers and business partners may also be subjected to audits or investigations by one or more domestic or foreign government agencies relating to compliance with information security and privacy laws and regulations, and noncompliance with such laws and regulations could result in substantial and material fines or class action litigation.

If reimbursement or other payment for our current or future products is reduced or modified in the United States or in foreign countries, including through the implementation or repeal of government-sponsored healthcare reform or other similar actions, cost containment measures, or there are changes to policies with respect to pricing, taxation or rebates, our business could suffer.

Sales of our products depend, in part, on the extent to which the costs of our products are paid by both public and private payers. These payers include Medicare, Medicaid, private healthcare insurers in the United States and foreign governments and third-party payers outside the United States. Our work with government payers carries various risks inherent in working with government entities and agencies, including government reporting and auditing, additional regulatory oversight, mandated contractual terms, failure of government appropriations and other complex procedural requirements.

Public and private payers have challenged, and are expected to continue to challenge, prices charged for medical products and services. Such downward pricing pressures from any or all of these payers may result in an adverse effect on our business, results of operations, financial condition and cash flows.

Global efforts toward healthcare cost containment continue to exert pressure on product pricing. Governments around the world continue to use various mechanisms to control healthcare expenditures, such as price controls, the formation of public contracting authorities, product formularies, which are lists of recommended or approved products, and competitive tenders, which require the submission of a bid to sell products. Sales of our products are dependent, in part, on the availability of reimbursement by government agencies and healthcare programs, as well as insurance companies and other private payers. In much of Europe, Latin America, Asia and Australia, governments provide healthcare at low cost to patients and control their expenditures by various means, such as purchasing products through public tenders, collective purchasing, regulating prices, setting reference prices in public tenders and limiting reimbursement or patient access to certain products. For example, China has been implementing volume-based procurement policies, a series of centralized reforms being instituted in China on both a national and regional basis that has resulted in significant price cuts for pharmaceuticals and medical consumables. Additionally, austerity measures or other reforms by foreign governments may limit, reduce or eliminate payments for our products and adversely affect both pricing flexibility and demand for our products. In addition, operations within our Healthcare Systems & Technologies segment increase our exposure to risks related to reimbursement as certain portions of that business directly bill various government agencies.

The Healthcare Reform Act includes several provisions which impact our businesses in the United States, including increased Medicaid rebates and an expansion of the 340B Drug Pricing Program, which provides certain qualified entities with discounts on the purchase of drugs for outpatient use and an excise tax on the sale of certain drugs.

10-20250713088?ank=202507

The Healthcare Reform Act reduces Medicare and Medicaid payments to hospitals and other providers, which may cause us to experience downward pricing pressure. Certain portions of the Healthcare Reform Act could negatively impact the demand for our products, and therefore our results of operations, financial position and cash flows.

In addition, a substantial portion of our revenues is dependent on federal healthcare program reimbursement, and any disruptions in federal government operations, including a federal government shutdown or failure of the U.S. government to enact annual appropriations, could have a material adverse effect on our business, results of operations, financial condition and cash flows. Additionally, disruptions in federal government operations may negatively impact regulatory approvals and guidance that are important to our operations and create uncertainty about the pace of upcoming healthcare regulatory developments or approvals.

As a result of these and other measures, including future measures or reforms that cannot be predicted, reimbursement may not be available or sufficient to allow us to sell our products on a competitive basis. Legislation and regulations affecting reimbursement for our products may change at any time and in ways that may be adverse to us. We cannot predict the impact of these pressures and initiatives, or any negative effects of any additional regulations that may affect our business.

We could be subject to fines or damages and possible exclusion from participation in federal or state healthcare programs if we fail to comply with the laws and regulations applicable to our business.

Portions of our business are subject to stringent laws and regulations at the federal or state levels governing the participation of durable medical equipment suppliers and independent diagnostic testing facilities in federal and state healthcare programs. From time to time, the U.S. government seeks additional information related to our claims submissions, and in some instances government contractors perform audits of payments made to us under Medicare, Medicaid, and other federal healthcare programs. On occasion, these reviews identify overpayments for which we submit refunds. At other times, our own internal audits identify the need to refund payments. We believe the frequency and intensity of government audits and review processes has grown, and we expect this will continue, due to increased resources allocated to these activities at both the federal and state Medicaid level, and greater sophistication in data review techniques.

In addition, our business contracts with foreign and U.S. federal, state and local government entities are subject to specific rules, regulations and approvals applicable to government contractors. Our failure to comply with these could result in contract terminations, suspension or debarment from contracting with these entities, civil fines and damages, criminal prosecution and possible exclusion from participation in federal healthcare programs, such as Medicare and Medicaid, as well as possible recoupment of any overpayments related to such violations. While we believe that our practices materially comply with applicable state, federal and foreign requirements, the requirements might be interpreted in a manner inconsistent with our interpretation. Failure to comply with applicable laws and regulations, even if inadvertent, could have a material adverse impact on our business, results of operations, financial condition and cash flows.

If we are unable to protect or enforce our patents or other proprietary rights, or if we become subject to claims or litigation alleging infringement of the patents or other proprietary rights of others, our competitiveness and business prospects may be materially damaged.

Patent and other proprietary rights are essential to our business. Our success depends to a significant degree on our ability to obtain and enforce patents and licenses to patent rights, both in the United States and in other countries. Our pending patent applications, and any future patent applications, may not result in issued patents, our patents issued or licensed may be challenged or circumvented by competitors, our patents may be found to be invalid or the intellectual property rights of others may prevent us from selling certain products or including key features in our products.

The patent position of a healthcare company is often uncertain and involves complex legal and factual questions. Significant litigation concerning patents and products is pervasive in our industry. Patent claims include challenges to the coverage and validity of our patents on products or processes as well as allegations that our products infringe patents held by competitors or other third parties. An unfavorable litigation outcome in any of these types of cases could result in a loss of patent protection or the ability to market products, which could lead to a significant loss of sales, or otherwise materially affect our business, results of operations, financial condition and cash flows. We also rely on trademarks, copyrights, trade secrets and know-how to develop, maintain and strengthen our competitive positions. Third parties may know, discover or independently develop equivalent proprietary information or techniques, or they may gain access to our trade secrets or publicly disclose our trade secrets.

Our employees, consultants, parties to collaboration agreements and other business partners are generally subject to confidentiality or similar agreements to protect our confidential and proprietary information. These agreements

may be breached, and we may not have adequate remedies for any breach. To the extent that our employees, consultants, parties to collaboration agreements and other business partners use intellectual property owned by others in their work for us, disputes may arise as to the rights in related or resulting know-how and inventions.

Furthermore, our intellectual property, proprietary technology and sensitive company data is potentially vulnerable to loss, damage and misappropriation from system malfunction, computer viruses and unauthorized access to our data or misappropriation or misuse thereof by those with permitted access and other events, including events connected with the use of AI and ML technologies. While we have invested to protect our intellectual property, confidential information and other data, and continue to work diligently in this area, there can be no assurance that our precautionary measures have prevented or will prevent future breakdowns, breaches, cyber incidents or other events. See "Risks Relating to Our Operations—Breaches and breakdowns affecting our information technology systems or protected information, including from cyber security breaches and data leakage, could have a material adverse effect on our business, results of operations, financial condition, cash flows, reputation and competitive position" and "Incorporating artificial intelligence, machine learning and other emerging technologies into our products, services and operations may result in legal and regulatory risks, reputational harm or have other adverse consequences to our business, financial condition or results of operations." Any of the events referenced above could have a material adverse effect on our reputation, business, results of operations, financial condition and cash flows.

Changes in tax laws or exposure to additional income tax liabilities may have a negative impact on our operating results.

Changes to the tax laws in the United States or other countries in which we operate could have an adverse effect on our operating results. For example, the Organization of Economic Co-operation and Development (OECD) and the G20 Inclusive Framework on Base Erosion and Profit Shifting (the Inclusive Framework) has put forth two proposals—Pillar One and Pillar Two—that revise the existing profit allocation and nexus rules and ensure a minimal level of taxation, respectively. On December 12, 2022, the EU member states agreed to implement the Inclusive Framework's global corporate minimum tax rate of 15%, and various countries both within and outside the EU have enacted new laws implementing Pillar Two or have draft legislation proposed for adoption. The OECD continues to release additional guidance on the two-pillar framework. We are continuing to evaluate the potential impact of the Inclusive Framework on future periods, which could have an adverse impact on our effective tax rate, income tax expense and cash flows.

Taxing authorities audit us from time to time and may disagree with certain positions we have taken in respect of our tax liabilities. Our tax liabilities are affected by many factors, including the amounts we charge in intra-company transactions for inventory, services, licenses, funding and other items, which are subject to the use of assumptions and judgment. Because we operate in multiple income tax jurisdictions both inside and outside the United States, cross border transactions among our affiliates are a significant part of the manner in which we operate. Tax authorities may disagree with our intra-company charges, cross-jurisdictional transfer pricing or other matters, and may assess additional taxes as a result.

We regularly assess the likely outcomes of these audits in order to determine the appropriateness of our tax provision. However, we may not accurately predict the outcome of these audits and, as a result, the actual outcome of these audits may have an adverse impact on our financial results. For more information on ongoing audits, see Note 14 in Item 8 of this Annual Report.

We are party to a number of pending lawsuits and other disputes which may have an adverse impact on our business, results of operations, financial condition and cash flows.

We are party to a number of pending lawsuits, settlement discussions, mediations, arbitrations and other disputes, some of which are set forth in Note 8 in Item 8 of this Annual Report on Form 10-K. In addition, in the future we may be party to additional lawsuits, disputes or other matters, including patent, product liability, commercial, employment, and other legal matters that arise in the normal course of our business. These current and future matters may result in a loss of patent protection, reduced net sales, incurrence of significant liabilities and diversion of our management's time, attention and resources. Given the uncertain nature of litigation and other disputes generally, we are not able in all cases to estimate the amount or range of loss that could result from an unfavorable outcome in our current matters. In view of these uncertainties, the outcome of these current matters may result in charges in excess of any established reserves, and, to the extent available, liability insurance. We also continue to be self-insured with respect to product liability claims. The unavailability or inadequacy of third-party insurance coverage for current or future liability claims could increase our potential exposure to unanticipated claims and adverse decisions. Protracted litigation and other disputes, including any adverse outcomes, may have an adverse

impact on our business, results of operations, financial condition and cash flows. Even claims without merit could subject us to adverse publicity and require us to incur significant legal fees.

Our Amended and Restated Bylaws could limit our stockholders' ability to choose their preferred judicial forum for disputes with us or our directors, officers, or employees.

Our Amended and Restated Bylaws (Bylaws) provide that, unless we consent in writing to the selection of an alternative forum, the Court of Chancery in the State of Delaware (or, if no state court located in the State of Delaware has jurisdiction, the federal district court for the District of Delaware) is the sole and exclusive forum, to the fullest extent permitted by law, to bring (i) any derivative action or proceeding brought on our behalf, (ii) any action asserting a claim for or based on a breach of a fiduciary duty owed by any current or former director or officer or other employee of the company to the company or our stockholders, (iii) any action asserting a claim arising pursuant to any provision of the Delaware General Corporation Law or our Certificate of Incorporation or these Bylaws, as either may be amended from time to time, or (iv) any action to interpret, apply, enforce or determine the validity of the Certificate of Incorporation or Bylaws or (v) any other action asserting a claim governed by the internal affairs doctrine or that is otherwise an "internal corporate claim" as defined in Section 115 of the Delaware General Corporation Law. Additionally, our Bylaws provide that unless we consent in writing to the selection of an alternative forum, the federal district courts of the United States shall be the sole and exclusive forum for the resolution of any complaint asserting a cause of action arising under the Securities Act of 1933, as amended.

Any person or entity purchasing or otherwise acquiring any interest in shares of our common stock is deemed to have received notice of and consented to the foregoing provisions of our Bylaws described above. The choice of forum provision may result in increased costs for investors to bring a claim. Further, the choice of forum provision may limit a stockholder's ability to bring a claim in a judicial forum that it finds favorable for disputes with us or our directors, officers, other employees, or stockholders, which may discourage such lawsuits against us and our directors, officers, other employees, or stockholders. Alternatively, if a court were to find the exclusive choice of forum provision contained in our Bylaws to be inapplicable or unenforceable in an action, we may incur additional costs associated with resolving such action in other jurisdictions.

Item 1B. ***Unresolved Staff Comments.***

None.

Item 1C. ***Cybersecurity.***

We assess, identify and manage risks from cybersecurity threats through our Global Cybersecurity and Compliance Program (Cybersecurity Program). Cybersecurity risks identified in the Cybersecurity Program are integrated into our Enterprise Risk Management Program. In addition, the Cybersecurity Program seeks to incorporate consideration of cybersecurity risk into our product development, business strategy, financial planning and capital allocation decisions.

The Cybersecurity Program is currently overseen by the Board of Directors (Board) and is managed by a dedicated Chief Information Security Officer (CISO), who in turn reports to the Chief Information Officer (CIO), who currently reports to the CEO. The CISO's organization has oversight responsibilities for cybersecurity strategy, policy, standards, architecture and processes for the security of our corporate and manufacturing enterprise network, information assets and medical device technologies. Our current CISO has over 20 years of experience in cybersecurity and risk and technology management, and has held numerous positions in the cybersecurity sector, including serving as Global Cyber Risk Officer at another Fortune 500 medical products and equipment company and CISO at other healthcare companies and health care delivery organizations. Our current CIO has over 30 years of experience in information technology and has served in a number of professional services leadership roles, including as CIO over the past 15 years at three companies. The CISO's organization monitors and manages, and works to identify and assess, cybersecurity risk through various technologies, resources, processes and policies that are updated as necessary to align with the changing threat landscape, our evolving business needs as well as global regulatory requirements. In addition, from time to time, we also utilize external auditors and assessors to help evaluate our Cybersecurity Program, including conducting penetration testing and vulnerability, risk and maturity assessments. We also actively engage with industry experts, regulatory agencies, advocacy groups, industry peers, intelligence and law enforcement communities as part of our continuing efforts to evaluate and enhance the effectiveness of our Cybersecurity Program and to stay abreast of the emerging cybersecurity landscape.

We use a range of defenses to help protect against cybersecurity threats and to work to secure our assets, reduce the time it takes to detect a cybersecurity threat and improve our recoverability capabilities. These defenses include

ani=202507 10-20250713108826

the ongoing monitoring of our systems (including with the assistance of third-party vendors), conducting response and recovery exercises with employees and senior management (including our executive officers) to promote awareness of related matters and improve internal processes, and engaging with external cybersecurity rating agencies that assess our cyber risk. In addition, to help promote privacy and security awareness throughout the company, the CISO maintains a Cyber Awareness and Engagement Program. As part of this program, all employees with a Baxter email address receive annual training on the recognition and prevention of cybersecurity threats as well as training on how to report suspicious activity or potential breaches through the appropriate channels. Our Cyber Awareness team communicates cybersecurity best practices to our employees through internal communications, including the company intranet, newsletters and global virtual seminars, and also hosts ongoing cybersecurity awareness campaigns, including phishing simulations. Further, our Third-Party Risk Management Program utilizes a managed service that uses a standard framework to help identify, assess and monitor potential cybersecurity risks posed by third parties. Third-party cybersecurity risks (including reputational ones) are assessed by evaluating the third party's security practices (including those associated with data protection), compliance with applicable regulations and planning associated with business continuity and incident detection and response.

The Cybersecurity Program maintains a cybersecurity governance and oversight framework that seeks to drive accountability for all levels of employees, including senior management and executive officers. Cybersecurity matters are generally managed by a combination of working groups that report to the cybersecurity compliance committee and ultimately the cybersecurity executive oversight committee, as appropriate. Our cross functional cybersecurity compliance committee, which is led by the CISO, is composed of members of senior management, including the CIO, and reviews matters such as cybersecurity escalations, critical remediations and disclosure recommendations. The output from the cybersecurity compliance committee meetings is discussed at meetings of Baxter's cybersecurity executive oversight committee, which is led by the CISO and includes the CIO and other members of management.

In February 2024, we amended the charters of the Audit Committee and Quality and Regulatory Compliance (QRC) Committee of our Board to provide for the realignment of oversight over the company's innovation strategy and cybersecurity to the full Board, as these responsibilities now sit within the vertically integrated segments and are part of the business strategies themselves. The Board oversees information technology functions generally, including product related cybersecurity matters (which had previously been subject to the oversight of the QRC Committee). The Audit Committee is responsible for the oversight of certain significant cybersecurity incidents, including ones related to our products and services and receives related updates from management on those incidents. Consistent with this oversight responsibility, the Audit Committee is responsible for reviewing proposed disclosures in connection with any material cybersecurity incident consistent with our disclosure obligations under Item 1.05 of Form 8-K. The full Board receives periodic updates on information technology and cybersecurity matters from company management (including the CIO and CISO) and external advisors from time to time and the Audit Committee receives periodic updates (including as part of continuing director education) on the evolving cybersecurity landscape and regulatory reporting requirements.

The CISO maintains and annually updates a Cybersecurity Incident Response Plan which is a guide for our Cyber Security Incident Response Team and business to respond to cybersecurity incidents in a coordinated manner. Additionally, the CISO, in partnership with a third-party consultant, facilitates periodic cyber-crisis tabletop exercises with members of senior management (including our executive officers) to help us prepare for the occurrence of a significant cybersecurity event and our related response activities. Cybersecurity risks and threats, including any previous cybersecurity incidents, have not materially impacted us or our operations to date. However, we cannot provide any assurance that we will not be subject to a material cybersecurity incident in the future. See "Risks Relating to Our Operations—Breaches and breakdowns affecting our information technology systems or protected information, including from cyber security breaches and data leakage, could have a material adverse effect on our business, results of operations, financial condition, cash flows, reputation and competitive position" in Item 1A. Risk Factors of this Annual Report on Form 10-K for a discussion of cybersecurity-related risks.

ank=20250710-10837

Item 2. ***Properties.***

Our corporate offices are owned and located at One Baxter Parkway, Deerfield, Illinois 60015.

We manage our global operations based on three reportable segments: Medical Products & Therapies, Healthcare Systems & Technologies, and Pharmaceuticals. We own or have long-term leases on all of our manufacturing facilities and the location of the principal manufacturing facilities of each of our segments are listed below:

Segments	Location	Owned/Leased
Medical Products & Therapies		
	Aibonito, Puerto Rico	Leased
	Alliston, Canada	Owned
	Cali, Colombia	Owned
	Cartago, Costa Rica	Owned
	Haina, Dominican Republic	Leased
	Hayward, California	Leased
	Cleveland, Mississippi	Leased
	Medina, New York	Leased
	Jayuya, Puerto Rico	Leased
	Sao Paulo, Brazil	Owned
	North Cove, North Carolina	Owned
	St. Paul, Minnesota	Leased
	Irvine, California	Owned
	Toongabbie, Australia	Owned
	Lessines, Belgium	Owned
	Marsa, Malta	Leased
	Sabinanigo, Spain	Owned
	San Vittore, Switzerland	Leased
	Thetford, United Kingdom	Owned
	Tel Aviv, Israel	Leased
	Elstree, United Kingdom	Leased
	Shanghai, China	Owned
	Mountain Home, Arkansas	Owned/Leased (1)
Healthcare Systems & Technologies		
	Batesville, Indiana	Owned
	Charleston, South Carolina	Leased
	Milwaukee, Wisconsin	Owned
	St. Paul, Minnesota	Leased
	Skaneateles Falls, New York	Owned
	Suzhou, China	Leased
	Taicang, China	Leased
	Pluvigner, France	Owned
	Saalfeld, Germany	Owned
	Tijuana, Mexico	Leased
	Monterrey, Mexico	Owned
	Luleå, Sweden	Owned
Pharmaceuticals		
	Guayama, Puerto Rico	Owned
	Round Lake, Illinois	Owned
	Ahmedabad, India	Owned

(1) Includes both owned and leased facilities

We also own or operate shared distribution facilities throughout the world. In the United States and Puerto Rico, there are five shared distribution facilities with the principal facilities located in Memphis, Tennessee; Cataño, Puerto

Rico; and North Cove, North Carolina. Internationally, we have more than 75 shared distribution facilities located in Australia, Austria, Belgium, Brazil, Canada, Chile, China, Colombia, Costa Rica, the Czech Republic, Ecuador, France, Germany, Greece, Hong Kong, India, Ireland, Israel, Italy, Japan, Korea, Mexico, New Zealand, Panama, Poland, Portugal, Russia, South Africa, Spain, Sweden, Switzerland, Taiwan, Thailand, Turkey, the United Arab Emirates, and the United Kingdom.

We regularly evaluate our plants and production lines and believe that our current facilities plus any planned expansions are generally sufficient to meet our expected needs and expected near-term growth. Expansion projects and facility closings will be undertaken as necessary in response to market needs.

Item 3. ***Legal Proceedings.***

Incorporated by reference to Note 8 in Item 8 of this Annual Report on Form 10-K.

Item 4. ***Mine Safety Disclosures.***

Not Applicable.

Information about our Executive Officers

As of February 21, 2025, the following serve as Baxter's executive officers:

Brent Shafer, age 67, is Chair and Interim Chief Executive Officer. He was appointed to his role on February 3, 2025, in connection with Mr. José Almeida's separation from Baxter. He is the former Chair and Chief Executive Officer of Cerner Corporation (Cerner), a leading provider of various health information technologies, ranging from medical devices to electronic health records to hardware, serving in this role from 2018 to 2021. Prior to Cerner, Mr. Shafer held a number of roles at Philips, including Chief Executive Officer of Philips North America, a leader in diagnostic imaging, image-guided therapy, patient monitoring and health informatics, as well as in consumer health and home care. Mr. Shafer was also the Chief Executive Officer of Philips Home Healthcare Solution business. Before joining Philips, Mr. Shafer was Vice President and General Manager of Hillrom's Patient Care Environment Division and worked at GE Medical Systems where he served in key positions in sales, marketing, and general management. Mr. Shafer has also held senior roles at Hewlett Packard's Medical Products Group and Johnson & Johnson. Mr. Shafer currently serves as a director of Tactile Systems Technology, Inc. and Veracyte, Inc.

James Borzi, age 62, is Executive Vice President and Chief Supply Chain Officer. He joined Baxter in August 2020 from GE Healthcare, where he served as Vice President, Chief Supply Chain Officer from 2019 to 2020. Prior to joining GE Healthcare, he served in various manufacturing operations leadership roles at Becton Dickinson, including Executive Vice President of Global Operations and Chief Supply Chain Officer from 2013 to 2019. Earlier in his career, he was Senior Vice President of Operations & 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. Mr. Borzi is a senior advisor to the NAI Group, a Pritzker Private Capital company.

Joel T. Grade, age 54, is Executive Vice President, Chief Financial Officer and Interim Chief Accounting Officer. Mr. Grade joined Baxter in 2023 as Executive Vice President, Chief Financial Officer. Additionally, he was elected as our interim Chief Accounting Officer and Principal Accounting Officer (CAO) in September 2024 and will cease serving in that interim capacity as of February 21, 2025. Mr. Grade joined Baxter following a 25-year career with Sysco Corporation (Sysco), the world's global foodservice leader. He most recently served as Sysco's Executive Vice President, Corporate Development from 2020 to 2023. His previous roles at Sysco included Executive Vice President and Chief Financial Officer from 2015 to 2020, Senior Vice President of Finance and Chief Accounting Officer, and Senior Vice President of foodservice operations. He currently serves as a member of Northwestern University-Kellogg School of Business Financial Network Advisory Board and the Dean's External Advisory Board of the University of Wisconsin School of Business.

Heather Knight, age 53, is Executive Vice President, Chief Operating Officer and Interim Group President, Medical Products & Therapies. She was appointed to her role on February 3, 2025. Ms. Knight has led our Medical Products & Therapies segment since 2023. From 2021 through 2023, she served as president of our former Americas region and our Acute Therapies, Clinical Nutrition, and Medication Delivery business units. She joined Baxter in 2019 as general manager, U.S. Hospital Products. Throughout her 30-year career in the healthcare industry, Ms. Knight has held numerous roles of increasing leadership in general management, global upstream and commercial capacities at companies including Medtronic plc (Medtronic), Covidien plc, Tyco International plc and Kendall Healthcare

Products Company. Prior to joining Baxter, she most recently served as vice president and general manager in Medtronic's Surgical Innovations business. Ms. Knight earned her bachelor's degree in Biological Sciences from the University of Buffalo and completed the Executive Sales and Management program from the University of Chicago Booth School of Management. Ms. Knight currently serves as a director of Waters Corporation.

Jeanne K. Mason, Ph.D., age 69, is Executive Vice President and Chief Human Resources Officer having served in that capacity since 2006. Ms. Mason joined Baxter in 2006 from GE Insurance Solutions, a primary insurance and reinsurance business, where she was responsible for global human resource functions. Ms. Mason began her career with General Electric (GE) in 1988 after serving with the U.S. General Accounting Office in Washington, D.C. Her GE experience included leadership roles in Europe for GE Information Services and GE Capital Real Estate. She is a member of the Board of Directors of Family Service of Lake County and is a member of the Executive Advisory Council for the Chicago Chapter of National Association of African Americans in Human Resources.

Reazur Rasul, age 48, is Executive Vice President and Group President, Healthcare Systems & Technologies. He was appointed to his current role in 2023 after serving as President of Front Line Care since 2022. Prior to that, Mr. Rasul served as General Manager for the Acute Therapies & Medication Delivery businesses from 2021 to 2022, and General Manager, for the Acute Therapies business from 2017 to 2021. Before joining Baxter in 2017, he worked with Hewlett Packard Enterprise where he was Vice President and General Manager of the Global Cloud infrastructure business. Previously, he worked with GE Healthcare where he held several roles of increasing responsibility in business leadership and strategy, including General Manager of the Global Interventional Cardiology business. Mr. Rasul began his professional career with Toyota Motor Corporation and ultimately held multiple leadership positions in strategy, product development and operations.

David S. Rosenbloom, age 65, is Executive Vice President and General Counsel. Mr. Rosenbloom joined Baxter from McDermott Will & Emery (McDermott), where he served as a partner for 24 years and Global Head of the Litigation Practice Group from 2017 to 2022. Prior to McDermott, he served for eight years in the U.S. Attorney's Office for the Northern District of Illinois. Mr. Rosenbloom is a member of the Board of the Digestive Health Foundation, which supports research at Northwestern Digestive Health Center, which is part of Northwestern Medicine at Northwestern Memorial Hospital.

Alok Sonig, age 52, is Executive Vice President and Group President, Pharmaceuticals. He was appointed to his role in 2023 after serving as President since 2022. Mr. Sonig joined Baxter in 2022 from Lupin, Inc. (Lupin), where he served as U.S. CEO and Global Head of R&D and Biosimilars from 2018 to 2022. He brings more than 25 years of experience in the life sciences industry. Prior to Lupin, Mr. Sonig served as CEO of Developed Markets (U.S., Canada, Europe, and Japan) at Dr. Reddy's Laboratories. He also spent more than 15 years at Bristol Myers Squibb, where he held several positions of increasing responsibility in general management, global strategy and marketing. Mr. Sonig is currently a member of the Advisory Boards for the American University, Kogod School of Business, and Sentry Sciences, Inc., and is a member of the Board of the Southern Asian Pharmaceutical Council.

All executive officers hold office until the next annual election of officers or until their respective successors are elected and qualified.

PART II

Item 5. ***Market for Registrant's Common Equity, Related Stockholder Matters and Issuer Purchases of Equity Securities.***

Issuer Purchases of Equity Securities

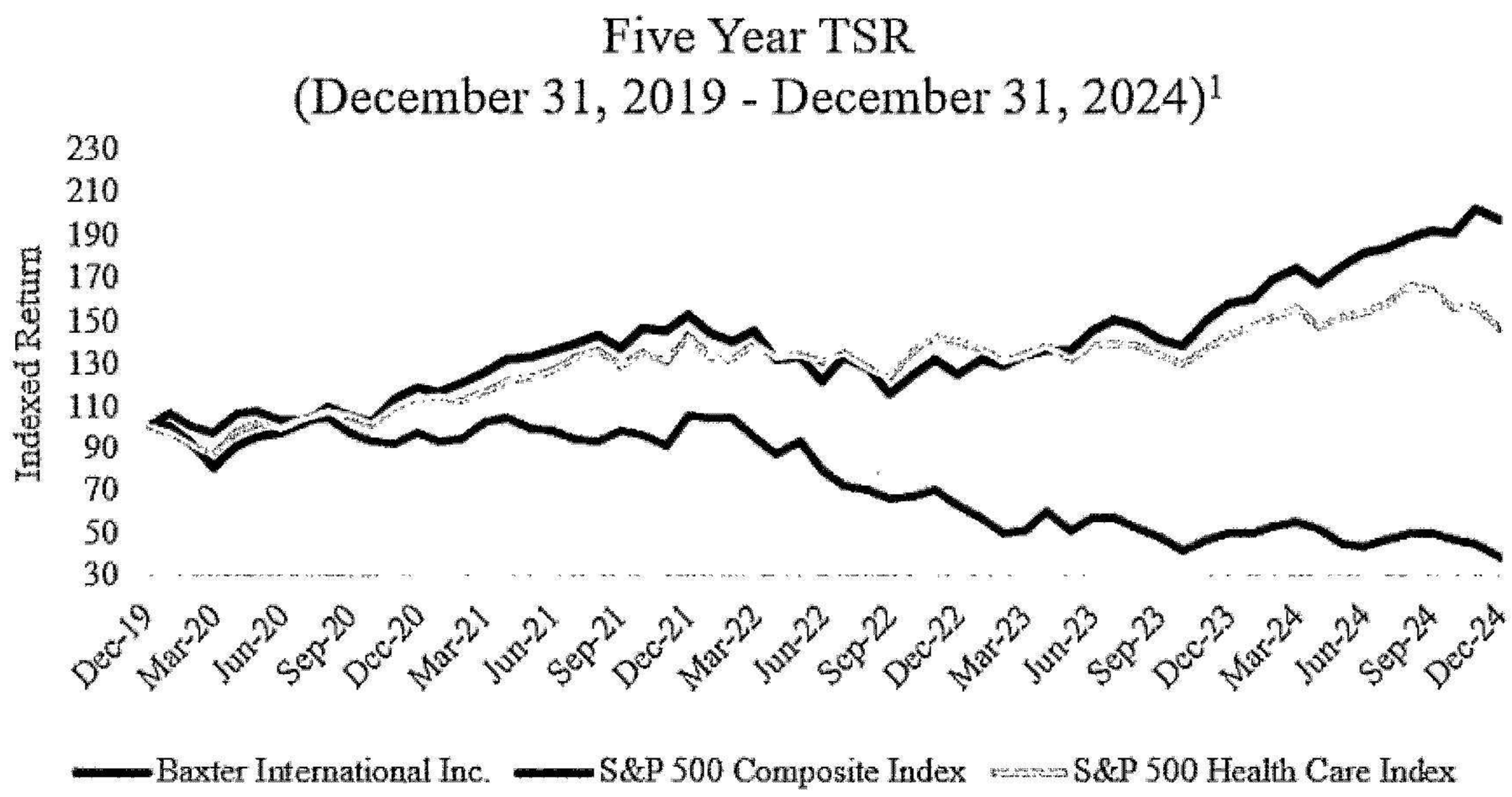
In July 2012, the Board of Directors authorized a share repurchase program and the related authorization was subsequently increased a number of times. During the fourth quarter of 2024, we did not repurchase any shares under this authority. The remaining authorization under this program totaled approximately $1.30 billion at December 31, 2024. This program does not have an expiration date.

Market Information and Holders of our Common Stock

Our common stock is listed on the New York and Chicago stock exchanges. The New York Stock Exchange is the principal market on which our common stock is traded under the symbol "BAX". As of February 13, 2025, there were 18,094 holders of record of our common stock.

Performance Graph

The following graph compares the change in our cumulative total stockholder return (including reinvested dividends) on our common stock with the Standard & Poor's 500 Composite Index and the Standard & Poor's 500 Health Care Index over the past five years.



[1] TSR calculations (as provided by FactSet) include reinvested dividends.

Item 6. ***Reserved.***

Item 7. ***Management's Discussion and Analysis of Financial Condition and Results of Operations.***

The following commentary should be read in conjunction with the consolidated financial statements and accompanying notes included in Item 8 of this Annual Report on Form 10-K.

ank=20250710:20250710088239

EXECUTIVE OVERVIEW

Description of the Company, Recent Strategic Actions and Business Segments

Baxter International Inc. is a global medical technology with approximately 38,000 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, nursing homes, rehabilitation centers, ambulatory surgery centers, doctors' offices and patients at home under physician supervision. Our global footprint and the critical nature of our products and services, which are sold in over 100 countries as of December 31, 2024, after giving effect to the Kidney Care sale, play a key role in expanding access to healthcare in emerging and developed countries.

In mid-2022, our Board of Directors authorized a strategic review of our business portfolio, with the goal of increasing stockholder value. As part of that review process, we identified and evaluated a range of potential strategic actions, including opportunities for sales and other separation transactions. In January 2023, following the completion of that review, we announced a number of planned strategic actions, as discussed below, which are intended to enhance our operational effectiveness, accelerate innovation and drive additional stockholder value. We completed the last of these strategic actions on January 31, 2025 in connection with the sale of our Kidney Care business.

Sale of Kidney Care Business

On August 12, 2024, we entered into an Equity Purchase Agreement (EPA) with certain affiliates of Carlyle Group Inc. (Carlyle) to sell our Kidney Care business, which will be known as Vantive. That business, which is comprised of our Kidney Care segment, provides chronic and acute dialysis therapies and services, including peritoneal dialysis, hemodialysis, continuous renal replacement therapies, and other organ support therapies. On January 31, 2025, we completed the sale of our Kidney Care business to Carlyle for an aggregate purchase price of $3.80 billion in cash, subject to certain closing cash, working capital and debt adjustments. After giving effect to certain adjustments, we received approximately $3.71 billion pre-tax cash proceeds at closing of the transaction with the net after tax proceeds currently estimated to be approximately $3.4 billion, subject to certain post-closing adjustments. As of February 21, 2025, we repaid $3.13 billion of short- and long-term indebtedness primarily with the net after-tax cash proceeds from the sale of our Kidney Care business, and we expect to use substantially all of the remaining net after-tax proceeds to continue to repay indebtedness through the second quarter of 2025.

We determined that our Kidney Care business met the criteria to be classified as held-for-sale in August 2024, and we also concluded that it met the conditions to be reported as a discontinued operation at that time. Accordingly, our Kidney Care business is reported in discontinued operations in the accompanying consolidated financial systems, and our prior period results have been adjusted to reflect discontinued operations presentation. The fair value and carrying value of assets held for sale are evaluated each period and a loss on sale is recognized when the fair value less costs to sell are below the carrying value. There has been no loss on sale recognized for the period ending December 31, 2024. We will recognize a gain or loss upon disposition of the business depending on the carrying value at that date, including any tax impacts of the sale, which may be material.

We expect to incur dis-synergies following our sale of our Kidney Care business due to the reduced size of our company and, as a result, we have begun to undertake certain actions (and will need to undertake additional actions) to ensure that our cost structure is appropriate to support our remaining businesses.

See Notes 2 and 6 in Item 8 of this Annual Report on Form 10-K for additional information.

Implementation of New Operating Model and Resulting Segment Change

In the third quarter of 2023, we completed the implementation of a new operating model intended to simplify and streamline our operations and better align our manufacturing and supply chain to our commercial activities. Under this operating model, our business is currently comprised of three reportable segments: Medical Products & Therapies, Healthcare Systems & Technologies, and Pharmaceuticals. Our segments were changed during the third quarter of 2023 to align with our new operating model.

The Medical Products & Therapies segment includes sales of our sterile IV solutions, infusion systems, administration sets, parenteral nutrition therapies and surgical hemostat, sealant and adhesion prevention products. The Healthcare Systems & Technologies segment includes sales of our 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 Pharmaceuticals segment includes sales of specialty injectable pharmaceuticals, inhaled anesthetics and drug compounding services. Other sales not allocated to a segment primarily include sales of products and services provided directly through certain of our manufacturing facilities and royalty income under a business development arrangement that ended in early 2023 when we acquired the related product rights.

For financial information about our segments, see Note 18 in Item 8 of this Annual Report on Form 10-K.

Sale of BPS Business

On September 29, 2023, we completed the sale of our BPS business and received cash proceeds of $3.96 billion from that transaction. The results of operations and cash flows of our BPS business, including the $2.88 billion pre-tax gain ($2.59 billion net of tax) from the sale of that business and the related cash proceeds received, are reported as discontinued operations in the accompanying consolidated financial statements. We used substantially all of the after-tax proceeds from this transaction to repay certain of our debt obligations, including $514 million of commercial paper borrowings and $2.28 billion of long-term debt that we repaid during the fourth quarter of 2023, as well as €750 million of senior notes that we repaid during the second quarter of 2024.

See Notes 2 and 6 in Item 8 of this Annual Report on Form 10-K for additional information.

Financial Results

Our global net sales totaled $10.64 billion in 2024, an increase of 3% over 2023 on a reported basis and 3% on a constant currency basis. International sales totaled $4.79 billion in 2024, an increase of 5% compared to 2023 on a reported basis and 6% on a constant currency basis. Sales in the United States totaled $5.85 billion in 2024, an increase of 1% compared to 2023. Refer to the Net Sales discussion in the Results of Operations section below for more information related to changes in net sales on a constant currency basis.

Net income (loss) attributable to Baxter stockholders totaled $(649) million, or $(1.27) per diluted share, in 2024. Net income (loss) attributable to Baxter stockholders in 2024 included special items which adversely impacted net income (loss) by $2.13 billion, or $4.17 per diluted share. See our special items subsection, in the Results of Operations section below, for information about special items for all periods present.

Net income (loss) from continuing operations totaled $(326) million, or $(0.64) per diluted share, in 2024. Net income (loss) from continuing operations in 2024 included special items which adversely impacted our results by $1.29 billion, or $2.53 per diluted share.

Our financial results included research and development (R&D) expenses totaling $590 million in 2024, which reflects our focus on balancing investments to support our new product pipeline with efforts to optimize overall R&D spending (including with respect to the maintenance of our portfolio).

While have faced and may continue to face operational and global macroeconomic challenges, our financial position remains strong, with operating cash flows from continuing operations totaling $819 million in 2024. We have continued to execute on our disciplined capital allocation framework, as discussed in the "Business Strategy" section in Item 1. Business of this Annual Report on Form 10-K, which is designed to optimize stockholder value creation through reinvestment in our businesses, dividends and share repurchases, as well as acquisitions and other business development initiatives and debt repayments, consistent with our previously stated commitment to achieve our net leverage targets.

Capital expenditures totaled $446 million in 2024 as we continued to invest across our businesses to support future growth, including additional investments in support of new and existing product capacity expansions. Our investments in capital expenditures in 2024 were focused on projects that improve production efficiency, enhance our quality systems and optimize manufacturing capabilities to support our business growth.

We also continued to return value to our stockholders. During 2024, we paid cash dividends to our stockholders totaling $590 million.

0001104659-25-007107.txt : 20250207

FACTORS AFFECTING OUR RESULTS OF OPERATIONS

Hurricane Helene

In September 2024, Hurricane Helene, which brought significant rain and extensive flooding to Western North Carolina, caused damage to certain of our assets at our North Cove facility in Marion, N.C. and disrupted operations at that facility. As we work to fully remediate the facility, we currently expect to incur an estimated $50 million of charges in the first quarter of 2025 primarily consisting of remediation costs, air freight (as we transfer product across our global network in the interest of increasing the availability of intravenous solutions for our customers) and other charges. See Note 1 for further discussion of insurance recoveries related to Hurricane Helene.

Supply Constraints and Global Economic Conditions

In recent years, we have experienced significant challenges to our global supply chain, including production delays and interruptions, increased costs and shortages of raw materials and component parts (including resins and electromechanical devices), higher transportation costs, adverse impacts from significant weather events (including Hurricane Helene and the flooding of our North Cove facility), elevated inflation levels and interest rates, disruptions to certain ports of call and access to shipping ports around the world, the war in Ukraine, the conflict in the Middle East, and other geopolitical events. While we have seen improvements in the availability of component parts and improved pricing in raw materials and on transportation costs, some of these challenges (including certain of those set forth above as we work to fully remediate our North Cove facility) are expected to have a negative impact on our results of operations in the future.

Our results of operations are also affected by macroeconomic conditions and levels of business confidence. The war in Ukraine, the conflict in the Middle East, other geopolitical events, the sanctions and other measures being imposed in response to these conflicts (and the potential for escalation of these conflicts), recently imposed or future quotas, duties or tariffs and any retaliatory counter measures, and recent political changes to trade policies, have increased the levels of economic and political uncertainty and we continue to closely monitor the developing situations. While we have substantially completed our wind down efforts related to our business in Russia, a significant escalation or expansion of economic disruption or the current scope of the war in Ukraine could have an adverse effect on our operations (including our supply chain) in the region.

The existence of high inflation rates in the United States and in many of the countries where we conduct business has resulted in, and may in the future result in, higher interest rates, shipping costs, labor costs, and other costs and expenses. Additionally, adverse changes in foreign currency exchange rates have increased, and could continue to increase, our costs of sourcing certain raw materials in some jurisdictions. We have experienced and may in the future experience inflationary increases in manufacturing costs and operating expenses and we may not be able to pass these cost increases on to our customers in a timely manner or at all, which could have a material adverse impact on our profitability and results of operations. Inflation and general macroeconomic factors have caused certain of our customers to reduce or delay orders for our products and services and could cause them to do so in the future, which could have a material adverse impact on our sales and results of operations.

As a medical products company, our operations and many of the products manufactured or sold by us are subject to extensive regulation by numerous government agencies, both within and outside the United States. These regulations (as described in Item 1, Government Regulation, of this Annual Report on Form 10-K) require that we obtain specific approval from FDA or applicable non-U.S. regulatory authorities before we can market and sell most of our products in a particular country. Failure to obtain or maintain those approvals or clearances (including temporary importation authorizations) could have a material adverse impact on our business (including with respect to our ability to compete in the product markets in which we currently operate). Furthermore, FDA in the United States, the EMA and MHRA in Europe, the NMPA in China, and other government agencies, inside and outside of the United States, administer requirements covering the testing, safety, effectiveness, manufacturing, labeling, promotion and advertising, pricing, distribution, and post-market surveillance of our products. Our failure to comply with these requirements may subject us to various actions, including warning letters, product recalls or seizures, monetary sanctions, injunctions to halt the manufacture and distribution of products, civil or criminal sanctions, refusal of a government to grant approvals or licenses, restrictions on operations or withdrawal of existing approvals and licenses, and may have a material adverse impact on our results of operations.

For further discussion, please refer to Item 1A. Risk Factors of this Annual Report on Form 10-K.

RECENT BUSINESS COMBINATIONS AND ASSET ACQUISITIONS

Zosyn

On March 22, 2022, we entered into an agreement 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 is used for the treatment of intra-abdominal infections, nosocomial pneumonia, skin and skin structure infections, female pelvic infections and community-acquired pneumonia. Under the terms of the acquisition, we paid the acquisition price of $122 million and received specified intellectual property, including patent rights, in the first quarter of 2022 and received additional intellectual property, including the product rights to Zosyn, in the first quarter of 2023. Under the arrangement, we received profit sharing payments from sales of Zosyn until the product rights transferred to us in March 2023. Refer to Note 3 in Item 8 of this Annual Report on Form 10-K for additional information regarding our acquisition of the rights to Zosyn.

Hillrom

In 2021, we acquired Hillrom. In 2024, 2023 and 2022 our Healthcare Systems & Technologies segment (formerly referred to as our Hillrom segment) generated net sales of $2.95 billion, $3.01 billion, and $2.94 billion, respectively. During 2024, we recorded a $425 million goodwill impairment related to our Front Line Care reporting unit within our Healthcare Systems & Technologies segment. During 2022, we also recognized $2.81 billion of goodwill impairments and $332 million of indefinite-lived intangible asset impairments related to goodwill and trade name intangible assets that arose from the Hillrom acquisition. See Notes 3, 5 and 18 in Item 8 of this Annual Report on Form 10-K for additional information about the Hillrom acquisition, goodwill and intangible asset impairments, and our Healthcare Systems & Technologies segment results, respectively.

NON-GAAP FINANCIAL MEASURES

Our presentation of percentage changes in net sales at constant currency rates, which is computed using current period local currency sales at the prior period's foreign exchange rates, is a non-GAAP financial measure. This measure provides information about growth (or declines) in our net sales as if foreign currency exchange rates had not changed between the prior period and the current period. We believe that the non-GAAP measure of percent change in net sales at constant currency rates, when used in conjunction with the U.S. GAAP measure of percent change in net sales at actual currency rates, may provide a more complete understanding and facilitate a fuller analysis of our results of operations, particularly in evaluating performance from one period to another.

RESULTS OF OPERATIONS

CONSOLIDATED NET SALES

years ended December 31 (in millions)	2024	2023	2022	Percent change: At actual currency rates 2024	At actual currency rates 2023	At constant currency rates [3] 2024	At constant currency rates [3] 2023
United States	$ 5,850	$ 5,802	$ 5,769	1 %	1 %	1 %	1 %
Emerging markets [1]	1,350	1,343	1,253	1 %	7 %	3 %	8 %
Rest of world [2]	3,436	3,215	3,035	7 %	6 %	7 %	6 %
Total net sales	$ 10,636	$ 10,360	$ 10,057	3 %	3 %	3 %	3 %

[1] Emerging markets include sales from our operations in Eastern Europe, the Middle East, Africa, Latin America and Asia (except for Japan).

[2] Rest of world includes sales from our operations in Western Europe, Canada, Japan, Australia and New Zealand.

[3] Percent change in net sales at constant currency rates is a non-GAAP financial measure. See the section entitled "Non-GAAP Financial Measures" for additional information about our use of that measure.

ank=20250711083831

As set forth above, foreign currency had no material impact on net sales during the year ended December 31, 2024, as compared to the prior year period, primarily due to the strengthening of the U.S. Dollar relative to the Turkish Lira, Japanese Yen, Brazilian Real, Mexican Peso, and the Canadian Dollar, offset by the weakening of the U.S. Dollar relative to the British Pound and Colombian Peso. Foreign currency had no material impact on net sales during the year ended December 31, 2023, as compared to the prior year period, primarily due to the strengthening of the U.S. Dollar relative to the Euro, Turkish Lira, Australian Dollar, Japanese Yen and Chinese Renminbi offset by the weakening of the U.S. Dollar relative to the Mexican Peso and Brazilian Real.

NET SALES BY SEGMENT

Medical Products & Therapies

Our Medical Products & Therapies segment includes sales of our sterile IV solutions, infusion systems, administration sets, parenteral nutrition therapies and surgical hemostat, sealant and adhesion prevention products.

			Percent change	
years ended December 31 (in millions)	2024	2023	At actual currency rates	At constant currency rates [1]
Infusion Therapies & Technologies	$ 4,103	$ 3,960	4 %	4 %
Advanced Surgery	1,104	1,051	5 %	6 %
Total Medical Product & Therapies net sales	$ 5,207	$ 5,011	4 %	5 %

[1] Percent change in net sales at constant currency rates is a non-GAAP financial measure. See the section entitled "Non-GAAP Financial Measures" for additional information about our use of that measure.

Medical Product & Therapies segment net sales increased 4% for the year ended December 31, 2024, as compared to the prior year period.

Infusion Therapies & Technologies net sales increased 4% for the year ended December 31, 2024, as compared to the prior year period. Sales performance in 2024 primarily reflected growth in Infusion Systems as a result of sales of our Novum IQ large volume infusion and syringe pump in the U.S., and sales of Nutrition product offerings, which was attributable to both pricing initiatives and increased sales volume. In September 2024, Hurricane Helene, which brought significant rain and extensive flooding to Western North Carolina, caused damage to certain of our assets at our North Cove facility in Marion, N.C. and disrupted operations at that facility. This facility, which manufactures IV Solutions primarily for the U.S. market, was not fully operational for most of the fourth quarter. As a consequence, Hurricane Helene had an estimated $110 million adverse impact on sales, which offset price and underlying volume gains during the year.

Advanced Surgery net sales increased 5% for the year ended December 31, 2024, as compared to the prior year period, driven by growth in hemostats and sealants and was primarily attributable to increased sales volume. Foreign currency exchange rates adversely impacted net sales by 1% for the year ended December 31, 2024, as compared to the prior year period.

			Percent change	
years ended December 31 (in millions)	2023	2022	At actual currency rates	At constant currency rates [1]
Infusion Therapies & Technologies	$ 3,960	$ 3,817	4 %	4 %
Advanced Surgery	1,051	998	5 %	6 %
Total Medical Product & Therapies net sales	$ 5,011	$ 4,815	4 %	4 %

[1] Percent change in net sales at constant currency rates is a non-GAAP financial measure. See the section entitled "Non-GAAP Financial Measures" for additional information about our use of that measure.

Medical Product & Therapies segment net sales increased 4% for the year ended December 31, 2023, as compared to the prior year period.

Infusion Therapies & Technologies net sales increased 4% for the year ended December 31, 2023, as compared to the prior year period. Sales performance in 2023 reflected strong demand for our infusion systems and

administration sets, as well as growth in IV solutions and international nutrition compounding, partially offset by lower sales of parenteral nutrition products in the U.S. as compared to the prior year.

Advanced Surgery net sales increased 5% for the year ended December 31, 2023, as compared to the prior year period, 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. Foreign currency exchange rates adversely impacted net sales by 1% for the year ended December 31, 2023, as compared to the prior year period.

Healthcare Systems & Technologies

Our Healthcare Systems & Technologies segment includes sales of our 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.

years ended December 31 (in millions)	2024	2023	Percent change	
			At actual currency rates	At constant currency rates [1]
Care and Connectivity Solutions	$ 1,814	$ 1,800	1 %	1 %
Front Line Care	1,137	1,213	(6)%	(6)%
Total Healthcare Systems & Technologies net sales	$ 2,951	$ 3,013	(2)%	(2)%

[1] Percent change in net sales at constant currency rates is a non-GAAP financial measure. See the section entitled "Non-GAAP Financial Measures" for additional information about our use of that measure.

Healthcare Systems & Technologies segment net sales decreased 2% for the year ended December 31, 2024, as compared to the prior year period.

Care and Connectivity Solutions net sales increased 1% for the year ended December 31, 2024, driven by increased order volume associated with capital spending in the U.S. as compared to the prior year, partially offset by declines in care communication products driven by the shifting of installations to future periods and lower sales outside of the U.S.

Front Line Care net sales decreased 6% for the year ended December 31, 2024, as compared to the prior year period, primarily driven by a backlog reduction in the prior year period which increased sales in the prior year, reduced demand in the primary care market, lower government orders, certain product exits and select supply constraints impacting product availability. These declines were partially offset by growth in our cardiology products.

years ended December 31 (in millions)	2023	2022	Percent change	
			At actual currency rates	At constant currency rates [1]
Care and Connectivity Solutions	$ 1,800	$ 1,791	1 %	1 %
Front Line Care	1,213	1,148	6 %	6 %
Total Healthcare Systems & Technologies net sales	$ 3,013	$ 2,939	3 %	3 %

[1] Percent change in net sales at constant currency rates is a non-GAAP financial measure. See the section entitled "Non-GAAP Financial Measures" for additional information about our use of that measure.

Healthcare Systems & Technologies segment net sales increased 3% for the year ended December 31, 2023, as compared to the prior year period.

Care and Connectivity Solutions net sales increased 1% for the year ended December 31, 2023, as compared to the prior year period, driven by international demand and sales generated from recent product launches in the U.S., partially offset by lower rental revenues and lower capital spending in the U.S. reflecting the macroeconomic environment in 2023.

Front Line Care net sales increased 6% for the year ended December 31, 2023, as compared to the prior year period, primarily driven by increased demand for our cardiology products, patient monitoring systems and physical assessment tools. Performance in the current year benefited from backlog reductions due to improved availability of component parts used in certain of our products.

10-20250711108832
ank-20250707

Pharmaceuticals

Our Pharmaceuticals segment includes sales of specialty injectable pharmaceuticals, inhaled anesthetics and drug compounding services.

			Percent change	
years ended December 31 (in millions)	2024	2023	At actual currency rates	At constant currency rates [1]
Injectables and Anesthesia	$ 1,373	$ 1,347	2 %	3 %
Drug Compounding	1,038	902	15 %	15 %
Total Pharmaceuticals net sales	$ 2,411	$ 2,249	7 %	7 %

[1] Percent change in net sales at constant currency rates is a non-GAAP financial measure. See the section entitled "Non-GAAP Financial Measures" for additional information about our use of that measure.

Pharmaceuticals segment net sales increased 7% for the year ended December 31, 2024, as compared to the prior year period.

Injectables and Anesthesia net sales increased 2% for the year ended December 31, 2024, as compared to the prior year period, primarily due to growth in our U.S. specialty injectable products, driven by strong sales volume in our core portfolio and recent product launches, partially offset by declines for inhaled anesthetics. Foreign currency exchange rates adversely impacted net sales by 1% for the year ended December 31, 2024, as compared to the prior year period.

Drug Compounding net sales increased 15% for the year ended December 31, 2024, as compared to the prior year period, driven by increased demand for our international pharmacy compounding offerings, due in part, to customer capacity constraints that resulted in increased outsourcing of compounding activities.

			Percent change	
years ended December 31 (in millions)	2023	2022	At actual currency rates	At constant currency rates [1]
Injectables and Anesthesia	$ 1,347	$ 1,305	3 %	4 %
Drug Compounding	902	821	10 %	12 %
Total Pharmaceuticals net sales	$ 2,249	$ 2,126	6 %	7 %

[1] Percent change in net sales at constant currency rates is a non-GAAP financial measure. See the section entitled "Non-GAAP Financial Measures" for additional information about our use of that measure.

Pharmaceuticals segment net sales increased 6% for the year ended December 31, 2023, as compared to the prior year period.

Injectables and Anesthesia net sales increased 3% for the year ended December 31, 2023, as compared to the prior year period, primarily due to growth in our U.S. injectable products, driven by our launches of Zosyn, following the transfer of the related product rights to us in April 2023, Bendamustine and Norepinephrine, partially offset by lower sales of inhaled anesthesia products. Foreign currency exchange rates adversely impacted net sales by 1% for the year ended December 31, 2023, as compared to the prior year period.

Drug Compounding net sales increased 10% for the year ended December 31, 2023, as compared to the prior year period, driven by increased demand for our international pharmacy compounding services. Foreign currency exchange rates adversely impacted net sales by 2% for the year ended December 31, 2023, as compared to the prior year period.

Other

During the years ended December 31, 2024, 2023 and 2022, we earned $67 million, $87 million and $177 million, respectively, of revenues that were not attributable to our reportable segments. In the current and prior year periods, Other sales primarily represent revenues earned by certain of our manufacturing facilities from contract manufacturing activities. The years ended December 31, 2023 and 2022 also included royalty income under a business development arrangement. The decrease in Other sales for the year ended December 31, 2024 as compared to the prior year period reflects lower contract manufacturing volume. The decrease for the year ended December 31, 2023 as compared to the prior year period was primarily driven by lower contract manufacturing

volume and, to a lessor extent, termination of the royalty arrangement following our acquisition of the rights to the underlying product.

Special Items

Management believes that providing the separate impact of the following items on our results in accordance with U.S. GAAP may provide a more complete understanding of our operations and can facilitate a fuller analysis of our results of operations, particularly in evaluating performance from one period to another. Intangible asset amortization expense is identified as a special item to facilitate an evaluation of current and past operating performance and is consistent with how management and our Board of Directors assess performance. Additional special items are identified because they are highly variable, difficult to predict and of a size that may substantially impact our reported results of operations for the period.

The following table provides a summary of our special items and the related impact by line item on our consolidated results of operations for 2024, 2023 and 2022.

years ended December 31 (in millions)	2024	2023	2022
Gross Margin			
Intangible asset amortization expense	$ (419)	$ (383)	$ (392)
Long-lived asset impairments[1]	—	—	(344)
Business optimization items[2]	(67)	(27)	(16)
Product related items[3]	(15)	—	(44)
Acquisition and integration items[4]	(1)	(1)	(170)
European medical devices regulation[5]	(33)	(41)	(42)
Hurricane Helene costs[6]	(110)	—	—
Total Special Items	$ (645)	$ (452)	$ (1,008)
Impact on Gross Margin Ratio	(6.0 pts)	(4.3 pts)	(10.0 pts)
Selling, General and Administrative (SG&A) Expenses			
Intangible asset amortization expense	$ 206	$ 207	$ 287
Business optimization items[2]	65	137	174
Acquisition and integration items[4]	22	18	82
Legal matters[7]	17	15	—
Total Special Items	$ 310	$ 377	$ 543
Impact on SG&A Expense Ratio	2.9 pts	3.6 pts	5.4 pts
R&D Expenses			
Business optimization items[2]	$ 30	$ 10	$ 3
Long-lived asset impairments[1]	50	—	—
Total Special Items	$ 80	$ 10	$ 3
Impact on R&D Expense Ratio	0.7 pts	0.1 pts	0.1 pts
Goodwill Impairments			
Goodwill impairments[8]	$ 425	$ —	$ 2,812
Total Special Items	$ 425	$ —	$ 2,812
Other Operating Expense (Income), Net			
Acquisition and integration items[4]	$ —	$ (19)	$ (39)
Legal matters[7]	—	(8)	—
Loss on product divestiture arrangement[9]	—	—	54
Loss on subsidiary liquidation[10]	—	—	21
Total Special Items	$ —	$ (27)	$ 36
Other (Income) Expense, Net			
Pension curtailment[11]	$ —	$ —	$ (11)
Reclassification of cumulative translation loss to earnings[12]	—	—	65
Investment impairments[13]	—	31	—
Total Special Items	$ —	$ 31	$ 54
Income Tax Expense (Benefit)			
Tax matters[14]	$ 80	$ 65	$ 25
Tax effects of special items[15]	(248)	(226)	(375)
Total Special Items	$ (168)	$ (161)	$ (350)
Impact on Effective Tax Rate	(30.3) pts	4.7 pts	(13.6) pts

1 Our results in 2024 included a long-lived asset impairment charge of $50 million to reduce the carrying amount of an IPR&D asset to its fair value. Our results in 2022 included long-lived asset impairment charges related to assets acquired in our December 2021 acquisition of Hillrom, comprised of (i) $332 million of indefinite-lived intangible assets and (ii) $12 million of developed technology intangible asset impairments. Refer to Notes 3 and 5 in Item 8 of this Annual Report on Form 10-K for further information regarding the impairments. Long-lived asset impairments presented within this special item do not include impairments of long-lived assets related to restructuring actions, which are presented within the business optimization special item described in footnote 2 below.

2 Our results in 2024, 2023 and 2022 were impacted by costs associated with our execution of programs to optimize our organization and cost structure. In 2024, these restructuring and other business optimization costs included costs primarily related to initiatives to reduce our cost structure following the sale of our Kidney Care segment, initiatives within our Healthcare Systems & Technologies segment including the discontinuance of a product line and rationalization of certain other manufacturing and distribution facilities. In 2023 and 2022, these restructuring and other business optimization costs included actions related to our implementation of a new operating model intended to simplify and streamline our operations and better align our manufacturing and supply chain to our commercial activities, and our ongoing integration of Hillrom. Our results in 2024 and 2023 and 2021 included business optimization charges of $162 million, $174 million, $193 million, respectively. Refer to Note 12 in Item 8 of this Annual Report on Form 10-K for further information regarding these charges and related liabilities.

3 Our results in 2024 included charges of $15 million, comprised of (i) $12 million related to warranty and remediation activities arising from field corrective actions on Healthcare Systems & Technologies products and (ii) $3 million related to a revised estimate of warranty and remediation activities arising from a field corrective action on certain of our infusion pumps initially recorded in 2022. Our results in 2022 included charges of $44 million related to warranty and remediation activities arising from two field corrective actions on certain of our infusion pumps.

4 Our results in 2024 included $23 million of integration costs which primarily reflected third-party consulting costs related to our integration of Hillrom. Our results in 2023 included $19 million of integration-related costs, primarily related to our integration of Hillrom, offset by a $19 million benefit from changes in the estimated fair values of contingent consideration liabilities. Our results in 2022 included $213 million of acquisition and integration-related items, which reflected $93 million of integration-related costs and $159 million of incremental cost of sales from the fair value step-ups on acquired Hillrom inventory that was sold in 2022, partially offset by a $39 million benefit from changes in the estimated fair value of contingent consideration liabilities. Refer to Note 3 in Item 8 of this Annual Report on Form 10-K for further information regarding business and asset acquisitions.

5 Our results in 2024, 2023 and 2022 included $33 million, $41 million and $42 million, respectively, of incremental costs to comply with the European Union's medical device regulations for previously registered products, which primarily consist of contractor costs and other direct third-party costs. We consider the adoption of these regulations to be a significant one-time regulatory charge and believe that the costs of initial compliance for previously registered products over the implementation period are not indicative of our core operating results.

6 Our results in 2024 included pre-tax net charges of $110 million related damages caused by Hurricane Helene. This amount consisted of $44 million related to the write-off of damaged inventory and fixed assets, as well as $317 million of remediation, idle facility, air freight and other costs, partially offset by $251 million of insurance recoveries. Refer to Note 1 in Item 8 of this Annual Report on Form 10-K for further information.

7 Our results in 2024 included charges of $17 million related to environmental reserves for remediation actions associated with historic operations at certain of our facilities. Our results in 2023 included $7 million of net costs from certain legal matters. These costs included $13 million, including related legal fees, related to matters involving alleged violations of the False Claims Act related to a now-discontinued legacy Hillrom sales line and alleged injury from environmental exposure, partially offset by $6 million of proceeds received, net of related legal fees, from a settlement related to an intellectual property dispute.

8 Our results in 2024 included a goodwill impairment charge of $425 million related to the Front Line Care reporting unit within our Health Care Systems & Technologies segment. Our results in 2022 included goodwill impairment charges of $2.81 billion related to reporting units within our Health Care Systems & Technologies segment. Refer to Notes 3 and 5 in Item 8 of this Annual Report on Form 10-K for further information regarding these goodwill impairments.

9 Our results in 2022 included a loss of $54 million under an arrangement to divest certain product rights for an amount that is less than our cost of those product rights, which was triggered by U.S. and European Union regulatory approvals of the related products. Refer to Note 3 in Item 8 of this Annual Report on Form 10-K for further information about the related transactions.

10 Our results in 2022 included a loss of $21 million related to our deconsolidation of a foreign subsidiary, including the derecognition of a related noncontrolling interest, upon its liquidation in December 2022 that was completed in connection with our legal entity rationalization activities.

11 Our results in 2022 included a curtailment gain of $11 million related to an announced change for active non-bargaining participants in our U.S. Hillrom pension plan. Refer to Note 13 in Item 8 of this Annual Report on Form 10-K for further information regarding this curtailment gain.

12 Our results in 2022 included a charge of $65 million for cumulative translation adjustments (CTA) reclassified from accumulated other comprehensive income (loss) as a result of the substantial liquidation of our operations in Argentina.

13 Our results in 2023 included $31 million of net pre-tax losses from non-marketable investments in several early-stage companies, consisting of $34 million of noncash impairment write-downs, partially offset by a $3 million gain from the sale of an investment.

14 Our results in 2024 included a $80 million net income tax expense consisting of a $28 million valuation allowance recorded to reduce the carrying amount of tax attribute carryforwards in the U.S., $22 million of net income tax costs on internal reorganization transactions related to the sale of our Kidney Care segment, a $17 million income tax expense related to legislative changes under Internal Revenue Code of 1986 (IRC) Section 987 (which is the exchange gain or loss on foreign branch remittances in the U.S., effective in 2024), and a $13 million net revaluation of the Swiss basis step-up deferred tax asset and related valuation allowance that arose from Swiss tax reform legislation in 2019 that was partially offset by a decrease in such valuation allowance to reflect our current estimate of recoverability of the basis step-up deferred tax asset. Our results in 2023 included a $14 million income tax expense from separation related income tax costs associated with the sale of our BPS business, and a $9 million valuation allowance to reduce the carrying amount of a deferred tax asset for a tax basis step-up related to previously enacted Swiss tax reform legislation to reflect our current estimate of its recoverability with the remaining tax expense related to the tax effects of other special items. Our results in 2022 included a $25 million valuation allowance to reduce the carrying amount of a deferred tax asset for a tax basis step-up related to previously enacted Swiss tax reform legislation to reflect our current estimate of its recoverability.

15 This item reflects the income tax impact of the special items identified in this table. The tax effect of each special item is based on the jurisdiction in which the item was incurred and the tax laws in effect for each such jurisdiction.

COSTS AND EXPENSES

Gross Margin and Expense Ratios

years ended December 31	2024	% of net sales	2023	% of net sales	2022	% of net sales	2024 $ change	2024 % change	2023 $ change	2023 % change
Gross margin	$ 3,984	37.5 %	$ 4,150	40.1 %	$ 3,549	35.3 %	$ (166)	(4.0)%	$ 601	16.9 %
SG&A	$ 2,967	27.9 %	$ 2,953	28.5 %	$ 3,097	30.8 %	$ 14	0.5 %	$ (144)	(4.6)%
R&D	$ 590	5.5 %	$ 518	5.0 %	$ 450	4.5 %	$ 72	13.9 %	$ 68	15.1 %

ani_20250710883

Gross Margin

The gross margin ratio was 37.5%, 40.1% and 35.3% for the years ended 2024, 2023 and 2022, respectively. The special items identified earlier in this section had an unfavorable impact on gross margin ratio of 6.0, 4.3, and 10.0 percentage points in 2024. 2023, and 2022, respectively. Refer to the Special Items caption earlier in this section for additional detail.

ani_20250710883

Excluding the impact of special items, the gross margin ratio decreased 0.9 percentage points in 2024 compared to 2023 and decreased 0.9 percentage points in 2023 compared to 2022. The decrease in 2024 was driven by an unfavorable product mix, partially offset by initiatives to reduce our manufacturing and supply chain costs. The decrease in 2023 was primarily due to the adverse cost impacts of raw materials inflation driving higher manufacturing costs and higher bonus accruals under our annual employee incentive compensation plans, partially offset by manufacturing initiatives.

SG&A

The SG&A expense ratio was 27.9%, 28.5% and 30.8% for the years ended 2024, 2023 and 2022, respectively. The special items identified earlier in this section had an unfavorable impact on the SG&A expense ratio of 2.9, 3.6 and 5.4 percentage points in 2024, 2023 and 2022, respectively. Refer to the Special Items caption earlier in this section for additional detail.

Excluding the impact of special items, the SG&A expense ratio increased 0.1 percentage points in 2024 compared to 2023 and decreased 0.5 percentage points in 2023 compared to 2022. The increase in 2024 was primarily due to higher corporate function costs and annual compensation increases, partially offset by lower accruals under our annual employee incentive compensation plans. The decrease in 2023 was primarily due to savings from restructuring actions implemented in recent periods, partially offset by higher bonus accruals under our annual employee incentive compensation plans.

R&D

The R&D expense ratio was 5.5%, 5.0% and 4.5% for the years ended 2024, 2023 and 2022, respectively. The special items identified earlier in this section had an unfavorable impact on the R&D expense ratio of 0.7 percentage points in 2024, and 0.1 percentage points both in 2023 and 2022. Refer to the Special Items caption earlier in this section for additional detail.

Excluding the impact of special items, the R&D expense ratio decreased 0.1 percentage points in 2024 compared to 2023 and increased 0.5 basis points in 2023 compared to 2022. The decrease in 2024 was driven by lower bonus accruals under our annual employee incentive compensation plans. The increase in 2023 reflected higher outbound freight costs.

Business Optimization Items

In recent years, we have undertaken actions to transform our cost structure and enhance operational efficiency. These efforts include restructuring the organization, optimizing the manufacturing footprint, R&D operations and supply chain network, employing disciplined cost management and centralizing and streamlining certain support functions. The costs of restructuring actions consisted primarily of employee termination costs, contract termination costs and asset impairments.

We incurred restructuring charges of $162 million, $174 million and $193 million in 2024, 2023 and 2022, respectively. In 2024, $45 million of the restructuring charges, consisting of employee termination costs, were related to initiatives to reduce our cost structure following the sale of our Kidney Care segment. In addition, $46

million of the restructuring charges were related to business optimization initiatives within our Healthcare Systems & Technologies segment. These charges included $21 million of long-lived asset impairment charges, $9 million of other asset write-downs related to inventory and $2 million of employee termination costs related to our decision to discontinue a product line. Additionally, these charges included $14 million of employee termination costs related to other business optimization initiatives within this segment. In 2023, $81 million of the restructuring charges, consisting of employee termination costs, were related to the implementation of our new operating model intended to streamline our operations. In 2022, $85 million restructuring charges were related to integration activities for the Hillrom acquisition, consisting of $55 million of employee termination costs, $22 million of contract terminations and other costs and $8 million of asset impairments.

We currently expect to incur additional pre-tax cash costs, primarily related to the implementation of business optimization programs, of approximately $4 million through the completion of initiatives that are currently underway. We continue to pursue cost savings initiatives, including those intended to mitigate a portion of the dis-synergies expected to arise as a result of the sale of our Kidney Care business, and to the extent further cost savings opportunities are identified, we would incur additional restructuring charges and costs to implement business optimization programs in future periods. Refer to Note 12 in Item 8 of this Annual Report on Form 10-K for additional information regarding our business optimization programs.

Goodwill Impairments

We assess goodwill and indefinite-lived intangible assets for impairment annually during the fourth quarter or whenever events or changes in circumstances indicate that the carrying amount of such assets may not be recoverable. We recognize a goodwill impairment charge for the amount by which a reporting unit's carrying amount exceeds its fair value.

In connection with our annual goodwill impairment assessment in the fourth quarter of 2024, we recorded a $425 million goodwill impairment related to our Front Line Care reporting unit within our Healthcare Systems & Technologies segment. The reduction in value was primarily due to lower forecasted operating results and a lower terminal growth rate utilized in valuing this reporting unit which contributed to reduced expected future cash flows, as well as lower earnings multiples. The fair value of the Front Line Care reporting unit was determined based on a discounted cash flow model (an income approach) and earnings multiples (a market approach) based on the guideline public company method. Significant assumptions used in the determination of the fair values of our reporting units generally include revenue growth rates, forecasted earnings before income, taxes, depreciation and amortization (EBITDA) margins, discount rates, terminal growth rates and earnings multiples. The discounted cash flow model used to determine the fair value of our Front Line Care reporting unit reflected our most recent cash flow projections, a discount rate of 9.5% and a terminal growth rate of 3.25%. Our reporting unit fair value measurements are classified as Level 3 in the fair value hierarchy because they involve significant unobservable inputs. As of December 31, 2024, the carrying amount of goodwill for our Front Line Care reporting unit was $1.99 billion. No goodwill impairments were recorded for our remaining reporting units in connection with our annual goodwill impairment tests because the fair values of those reporting units exceeded their carrying amounts. Refer to Note 5 in Item 8 of this Annual Report on Form 10-K for additional information regarding this goodwill impairment charge.

We acquired Hillrom on December 13, 2021 and recognized $6.83 billion of goodwill and $6.03 billion of other intangible assets, including $1.91 billion of indefinite-lived intangible assets, in connection with that acquisition. During the third quarter of 2022, we performed trigger-based impairment tests for each of the reporting units within our Hillrom segment (currently referred to as our Healthcare Systems & Technologies segment), as well as the indefinite-lived intangible assets, consisting primarily of trade names, that we acquired in connection with the Hillrom acquisition. We performed those tests as of September 30, 2022 due to (a) current macroeconomic conditions, including the rising interest rate environment and broad declines in equity valuations, and (b) reduced earnings forecasts for our three Hillrom reporting units, driven primarily by shortages of certain component parts used in our products, raw materials inflation and increased supply chain costs. Those goodwill impairment tests resulted in total pre-tax goodwill impairment charges of $2.79 billion in the third quarter of 2022. In connection with our annual goodwill impairment assessment in the fourth quarter of 2022, we performed quantitative impairment tests for all our reporting units and recorded an additional $27 million goodwill impairment related to our Global Surgical Solutions reporting unit (now combined with our previous Patient Support Systems reporting unit in our Care and Connectivity

0250716-20250711083537 ank="?

Solutions reporting unit). Refer to Note 3 in Item 8 of this Annual Report on Form 10-K for additional information regarding these goodwill impairment charges.

Further adverse changes to macroeconomic conditions or our earnings forecasts could lead to additional goodwill impairment charges in future periods and such charges could be material to our results of operations. For further discussion, refer to Item 1A. Risk Factors of this Annual Report on Form 10-K.

Other Operating Expense (Income), Net

Other operating expense (income), net was income of $12 million in 2024, income of $28 million in 2023 and expense of $35 million in 2022. The income in 2024 was comprised of income from transition services arrangements related to the divestiture of our BPS business. In 2023, this amount was comprised of gains from changes in the estimated fair value of contingent consideration arrangements and proceeds from a settlement related to an intellectual property dispute. In 2022, we recognized a loss of $54 million under an arrangement to divest certain product rights for an amount that was less than our cost of those product rights, which was triggered by U.S. and European Union regulatory approvals of the related products. Refer to Note 3 in Item 8 of this Annual Report on Form 10-K for further information about the related transactions. Additionally, we recognized a loss of $21 million related to the deconsolidation of a foreign subsidiary, including the derecognition of a related noncontrolling interest, upon its liquidation in December 2022 that was completed in connection with our legal entity rationalization activities. Those losses were partially offset by gains of $39 million from net decreases in the estimated fair values of contingent consideration liabilities.

Interest Expense, Net

Interest expense, net was $341 million, $439 million and $394 million in 2024, 2023 and 2022, respectively. The decrease in 2024 was driven by debt repayments in the fourth quarter of 2023 and, to a lesser extent, higher interest income due to a higher average cash balance and higher interest rates during the current year period. The increase in 2023 was driven by higher interest rates on our floating rate debt, partially offset by net repayments in the current year periods and higher interest income in 2023.

We expect that our net interest expense will decrease in future periods as a result of debt repayments during the fourth quarter of 2024 and debt repayments during the first quarter of 2025 using the proceeds we received from the recent sale of our Kidney Care business. Refer to Note 6 in Item 8 of this Annual Report on Form 10-K for a summary of the components of interest expense, net for 2024, 2023 and 2022.

Other (Income) Expense, Net

Other (income) expense, net was income of $38 million, expense of $26 million and expense of $9 million in 2024, 2023 and 2022, respectively. The net income in 2024 was primarily driven by pension and other postretirement benefits, partially offset by foreign exchange losses. The net expense in 2023 was primarily driven by foreign exchange losses, non-marketable investment impairments, partially offset by pension and postretirement benefits. The net expense in 2022 was primarily due to the reclassification of a cumulative translation loss from accumulated other comprehensive income (loss) to earnings due to the substantial liquidation of our operations in Argentina, partially offset by pension and OPEB benefits, a pension curtailment gain and net increases in the fair value of marketable equity securities.

Income Taxes

Our effective income tax rate was (12.8)%, 25.2% and 4.2% in 2024, 2023 and 2022, respectively. The special items identified above impacted our effective tax rate by (30.3) percentage points, 4.7 percentage points and (13.6) percentage points in 2024, 2023 and 2022, respectively. Refer to the Special Items caption earlier in this section for additional detail. Our effective income tax rate can differ from the 21% U.S. federal statutory rate due to a number of factors, including tax incentives, foreign rate differences, state income taxes, non-deductible expenses, non-taxable income, increases or decreases in valuation allowances and liabilities for uncertain tax positions, excess tax benefits or shortfalls on stock compensation awards, audit developments and legislative changes.

For the year ended December 31, 2024, the difference between our effective income tax rate and the U.S. federal statutory rate was adversely impacted by a non-deductible impairment of goodwill, legislative changes under IRC Section 987 (which is the exchange gain or loss on foreign branch remittances in the U.S., effective in 2024), and a net revaluation of the Swiss basis step-up deferred tax asset and related valuation allowance that arose from Swiss

tax reform legislation in 2019, partially offset by a favorable geographic earnings mix, a decrease in valuation allowance mainly related to U.S. foreign tax credit carryforward, and a tax benefit related to research and development tax credits.

For the year ended December 31, 2023, the difference between our effective income tax rate and the U.S. federal statutory rate was impacted favorably by geographical earnings mix, a $50 million net tax benefit after related valuation allowances from notional interest deductions received by certain wholly-owned foreign subsidiaries that have financed their operations with equity capital and a $17 million tax benefit related to research and development tax credits, partially offset by tax shortfalls on stock compensation awards.

For the year ended December 31, 2022, the difference between our effective income tax rate and the U.S. federal statutory rate was primarily attributable to non-deductible impairments of goodwill acquired in the Hillrom acquisition and valuation allowance increases, including the increase described above related to deferred tax assets from a tax basis step-up related to previously enacted Swiss tax legislation in 2019. Those items were partially offset by a $47 million net tax benefit after related valuation allowances from notional interest deductions.

Our tax provisions for 2024, 2023 and 2022 did not include any significant tax charges related to either the Base Erosion and Anti-Abuse Tax (BEAT) or Global Intangible Low Taxed Income (GILTI) provisions, except for the inability to fully utilize foreign tax credits against such GILTI. Our accounting policy is to recognize any GILTI charge as a period cost.

The Organization of Economic Co-operation and Development (OECD) and the G20 Inclusive Framework on Base Erosion and Profit Shifting (the Inclusive Framework) has put forth two proposals—Pillar One and Pillar Two—that (i) revise the existing profit allocation and nexus rules and (ii) ensure a minimal level of taxation, respectively. On December 12, 2022, the EU member states agreed to implement the Inclusive Framework's global corporate minimum tax rate of 15%, and various countries both within and outside the EU have enacted new laws implementing Pillar Two or have draft legislation proposed for adoption. The OECD continues to release additional guidance on the two-pillar framework, with widespread implementation occurring in 2024. The impact of the Pillar Two legislation on our income tax expense for the year ended December 31, 2024 was $11 million. We are continuing to evaluate the potential impacts of the Inclusive Framework for 2025 and future years, pending legislative adoption by individual countries, which could result in further adverse impacts on our income tax expense and cash flows.

Discontinued Operations

In August 2024, we entered into a definitive agreement to sell our Kidney Care business and its results have been presented as discontinued operations for the years ended December 31, 2024, 2023 and 2022 in the consolidated financial statements included in Item 8 of this Annual Report on Form 10-K. On September 29, 2023, we completed the sale of our BPS business and its results have been presented as discontinued operations for the years ended December 31, 2023 and 2022 are reported as discontinued operations in the consolidated financial statements included in Item 8 of this Annual Report on Form 10-K.

Income (loss) from discontinued operations, net of tax, was $(312) million, $2.48 billion and $692 million in 2024, 2023 and 2022, respectively. The decrease in the current year period was primarily driven by the $2.88 billion pre-tax gain from the sale of the BPS business ($2.59 billion net of tax). Refer to Note 2 in Item 8 of this Annual Report on Form 10-K for additional information.

Net Income (Loss) and Earnings (Loss) per Diluted Share

Net income (loss) for the total company, including discontinued operations, was $(638) million in 2024, $2.66 billion in 2023 and $(2.42) billion in 2022. Diluted earnings (loss) per share for the total company, including discontinued operations, was $(1.27) per share in 2024, $5.23 per share in 2023 and $(4.83) per share in 2022. The significant factors and events causing the net changes from 2023 to 2024 and from 2022 to 2023 are discussed above. Additionally, earnings (loss) per share was positively impacted by the repurchase of 0.5 million shares in 2022 through Rule 10b5-1 purchase plans. Refer to Note 9 in Item 8 of this Annual Report on Form 10-K for further information regarding our stock repurchases.

10-20250711088936
ank=202507

SEGMENT OPERATING INCOME (LOSS)

The following is a summary of operating income (loss) for our reportable segments.

for the years ended December 31 (in millions)	2024	2023	2022
Medical Products & Therapies	$ 950	$ 972	$ 962
% of Segment Net Sales	*18.2 %*	*19.4 %*	*20.0 %*
Healthcare Systems & Technologies	468	483	494
% of Segment Net Sales	*15.9 %*	*16.0 %*	*16.8 %*
Pharmaceuticals	313	401	391
% of Segment Net Sales	*13.0 %*	*17.8 %*	*18.4 %*
Total reportable segment operating income	1,731	1,856	1,847
Other	18	18	77
Unallocated corporate costs	(275)	(355)	(367)
Intangible asset amortization expense	(625)	(590)	(679)
Business optimization items	(162)	(174)	(193)
European Medical Devices Regulation	(33)	(41)	(42)
Long-lived asset impairments	(50)	—	(344)
Legal matters	(17)	(7)	—
Acquisition and integration items	(23)	—	(213)
Product-related items	(15)	—	(44)
Hurricane Helene Costs	(110)	—	—
Loss on product divestiture arrangement	—	—	(54)
Goodwill impairments	(425)	—	(2,812)
Loss on subsidiary liquidation	—	—	(21)
Total operating income (loss)	14	707	(2,845)
Interest expense, net	341	439	394
Other (income) expense, net	(38)	26	9
Income (loss) from continuing operations before income taxes	$ (289)	$ 242	$ (3,248)

Medical Products & Therapies

Segment operating income was $950 million, $972 million and $962 million for the years ended 2024, 2023 and 2022, respectively. Segment operating income decreased in 2024 compared to the prior year due to increased allocations of manufacturing and supply chain overheads, annual compensation increases and higher corporate shared costs, partially offset by higher sales. In addition, we estimate that the North Cove flood resulting from Hurricane Helene had an adverse impact of $60 million on segment operating income in 2024. Segment operating income increased in 2023 compared to the prior year due to the gross profit from higher sales, partially offset by increases in SG&A and R&D expenses.

Healthcare Systems & Technologies

Segment operating income was $468 million, $483 million and $494 million for the years ended 2024, 2023 and 2022, respectively. Segment operating income decreased in 2024 primarily due to decreased gross profit from lower sales. Segment operating income decreased in 2023 primarily due to increased R&D expenses, particularly related to the connected care portfolio.

Pharmaceuticals

Segment operating income was $313 million, $401 million and $391 million for the years ended 2024, 2023 and 2022, respectively. The decreases in segment operating income in 2024 were driven by lower gross margin percentages, primarily driven by the increased cost of certain inventory manufactured by our former BPS business, which includes a third-party mark-up following our divestiture of that business in September 2023, an unfavorable product mix, and increased operating expenses, including marketing-related costs in connection with recent product

launches. Segment operating income increased in 2023 primarily due to income from recent product launches, partially offset by a lower gross margin, primarily driven by raw materials inflation, and increased R&D expense.

Other

Other operating income, which represents operating income not attributable to our reportable segments, was $18 million for both the years ended December 31, 2024 and 2023 and $77 million for the year ended December 31, 2022. In the current and prior year periods, other operating income primarily represents income from revenues earned by certain of our manufacturing facilities from contract manufacturing activities. Other operating income in 2022 also included royalty income under a business development arrangement. Other operating income in 2024 was flat as compared to the prior year period. The decrease in 2023 as compared to the prior year period reflects the termination of the royalty arrangement following our acquisition of the rights to the underlying product, partially offset by improved gross margins from contract manufacturing.

Unallocated Corporate Costs

Under our new operating model, most global functional support costs, overhead costs and other shared costs that benefit our segments are allocated to those segments. Corporate costs that are not allocated to our segments, as well as any differences between actual corporate costs and the amounts allocated to our segments, are presented as unallocated corporate costs. With the results of our Kidney Care segment reported in discontinued operations, corporate costs that had previously been allocated to the Kidney Care segment which will not convey with the Kidney Care segment in the sale, are now presented as unallocated corporate costs. Additionally, intangible asset amortization and other special items are not allocated to our segments. Prior to the implementation of our operating model in the third quarter of 2023, more costs were maintained at corporate and were not allocated to our previous segments. Certain of the costs that were previously maintained at corporate under our prior segment structure that are now allocated to our segments include manufacturing variances and centrally managed supply chain costs, certain R&D costs, product category support costs, stock compensation expense, and certain employee benefit plan costs.

LIQUIDITY AND CAPITAL RESOURCES

years ended December 31 (in millions)	2024	2023	2022
Cash flows from operations - continuing operations	$ 819	$ 1,207	$ 528
Cash flows from investing activities - continuing operations	(410)	(410)	(624)
Cash flows from financing activities	(1,081)	(3,489)	(1,438)

Cash Flows from Operations — Continuing Operations

In 2024, 2023 and 2022, cash provided by operating activities from continuing operations was $819 million, $1.21 billion and $528 million, respectively.

Operating cash flows from continuing operations in the current year were unfavorably impacted as compared to 2023 due to an increase in our net loss from continuing operations and higher annual payouts under our employee incentive plans, which were determined based on our 2023 performance.

Operating cash flows from continuing operations increased in 2023 compared to 2022 primarily due to a decrease in our net loss from continuing operations, lower annual payouts under our employee incentive compensation plans, which were based on our 2022 results, the timing of accounts payable payments and lower increases in inventory as compared to the prior year.

Cash Flows from Investing Activities

In 2024, cash used for investing activities from continuing operations included capital expenditures of $446 million. In 2023, cash used for investing activities from continuing operations included capital expenditures of $432 million. In 2022, cash used for investing activities from continuing operations included capital expenditures of $377 million

10-20250711088337
ani=207507

and payments for acquisitions and investments of $258 million, primarily related to our acquisition of the rights to Zosyn.

Cash Flows from Financing Activities

In 2024, cash used in financing activities included debt repayments of $2.66 billion, dividend payments of $590 million, partially offset by proceeds from borrowings on our delayed draw term loan of $1.83 billion, an increase in commercial paper borrowings of $296 million, and proceeds from stock issued under employee benefit plans of $71 million.

In 2023, cash used in financing activities included debt repayments of $2.63 billion and dividend payments of $586 million, and a decrease in commercial paper borrowings of $301 million, partially offset by proceeds from stock issued under employee benefit plans of $95 million.

In 2022, cash used in financing activities included debt repayments of $954 million and dividend payments of $573 million, partially offset by receipts from stock issued under employee benefit plans of $127 million and a net increase in commercial paper borrowings of $55 million.

As authorized by the Board of Directors, we repurchase our stock depending upon our cash flows, net debt levels and market conditions. In July 2012, the Board of Directors authorized a share repurchase program and the related authorization was subsequently increased a number of times. We did not repurchase any shares under this authority in 2024 and had $1.30 billion remaining available under this authorization as of December 31, 2024.

Credit Facilities, Commercial Paper Program and Access to Capital and Credit Ratings

Credit Facilities and Commercial Paper Program

As of December 31, 2024, we had a U.S. Dollar-denominated term loan credit facility, which had one tranche of term loans outstanding, a U.S. Dollar-denominated revolving credit facility and a Euro-denominated revolving credit facility.

As of December 31, 2024, we had $1.64 billion outstanding under our U.S. Dollar-denominated term loan credit facility that matures in 2026. Borrowings under the term loan credit facility bear interest on the principal amount outstanding at either Term SOFR plus an applicable margin plus a credit spread adjustment or a "base rate" plus an applicable margin. The term loan credit facility contains various covenants, including a maximum net leverage ratio. We have the option to prepay outstanding amounts under the term loan credit facility in whole or in part at any time. In February 2025, we repaid $1.00 billion under our $1.64 billion five-year term loan facility maturing in 2026.

As of December 31, 2024, our U.S. Dollar-denominated revolving credit facility and Euro-denominated revolving credit facility had a maximum capacity of $2.00 billion and €200 million, respectively, and there were no borrowings under either of these revolving credit facilities as of December, 31, 2024 or December 31, 2023. Our commercial paper borrowing arrangements require us to maintain undrawn borrowing capacity under our revolving credit facilities for an amount at least equal to our outstanding commercial paper borrowings. Each of the revolving credit facilities matures in 2026. The revolving credit facilities enable us to borrow funds on an unsecured basis at variable interest rates, and contain various covenants, including a maximum net leverage ratio. Based on our covenant calculations as of December 31, 2024 we have capacity to draw on the full amounts under our revolving credit facilities, less commercial paper borrowings which were $300 million at year-end. Facility fees under the credit facilities were 0.125% annually as of both December 31, 2024 and 2023 and are based on our credit ratings and the total capacity of the revolving credit facility.

On July 17, 2024, we entered into a credit agreement pursuant to which a group of banks provided us with senior unsecured term loans in an aggregate principal amount of up to $2.05 billion ("the bridge facility"). Borrowings under the bridge facility were available in up to three drawings to fund (a) the refinancing of our 1.322% Senior Notes due November 29, 2024, our Floating Rate Notes due November 29, 2024, and certain borrowings under our existing term loan facility and (b) payment of certain U.S. tax liabilities arising from internal reorganization transactions related to the sale of our Kidney Care business. Borrowings under the bridge facility bore interest at a rate based on our long-term debt ratings in effect from time to time and the interest rate on any borrowings outstanding beyond December 31, 2024 would increase by 0.25%. We also incurred a ticking fee on undrawn commitments at a rate based on our long-term debt ratings in effect from time to time. The banks' funding commitments under the bridge facility terminated on December 31, 2024. Outstanding borrowings under the bridge facility were scheduled to mature on the earlier of 364 days from the first funding date and November 24, 2025. Additionally, we were required

to use the net cash proceeds from certain transactions (including from the sale of our Kidney Care business) to repay any outstanding borrowings under the bridge facility. The bridge facility contained financial and other covenants, including a net leverage covenant, and provided for customary events of default. In November 2024, we reduced the bridge facility capacity from $2.05 billion to $1.83 billion. Additionally, during the fourth quarter of 2024 we drew on the bridge facility to repay our 1.322% Senior Notes due November 29, 2024, our Floating Rate Notes due November 29, 2024 and the outstanding balance on our three-year term loan facility. There was $1.83 billion outstanding under this bridge facility as of December 31, 2024. In January 2025, we used a portion of the approximately $3.4 billion of net after-tax cash proceeds from the sale of our Kidney Care business to repay the $1.83 billion outstanding under the bridge facility, at which time it was terminated.

In the first quarter of 2024, we amended the credit agreements governing our U.S. dollar-denominated term loan credit facility and revolving credit facility and the guaranty agreement with respect to our Euro-denominated revolving credit facility to increase the maximum net leverage ratio covenant for the six fiscal quarters ending June 30, 2024, September 30, 2024, December 31, 2024, March 31, 2025, June 30, 2025, and September 30, 2025. In accordance with the terms of the amendment, the capacity under our U.S dollar-denominated revolving credit facility was reduced from $2.50 billion to $2.00 billion on September 30, 2024. As of December 31, 2024, we were in compliance with the financial covenants in these agreements.

Based on our covenant calculations as of December 31, 2024, we have capacity to draw on the full amounts under our revolving credit facilities, less commercial paper borrowings which were $300 million at year-end. The non-performance of any financial institution supporting either of the revolving credit facilities would reduce the maximum capacity of the revolving credit facilities by the institution's respective commitment. Additionally, a deterioration in our financial performance may reduce our ability to draw on our revolving credit facilities.

We have a commercial paper program that currently enables us to borrow efficiently at short-term interest rates. Upon maturity of any commercial paper borrowings under this program, and to the extent old issuances are not repaid by cash on hand, we are exposed to the rollover risk of not being able to issue new commercial paper. Our commercial paper borrowing arrangements require us to maintain undrawn borrowing capacity under our revolving credit facilities for an amount at least equal to our outstanding commercial paper borrowings. If we were not able to issue new commercial paper, we have the option of drawing on the revolving credit facilities; however, electing to do so would result in higher interest expense. As of December 31, 2024, we had $300 million of commercial paper outstanding, which were repaid in full in January 2025.

We also maintain other credit arrangements, as described in Note 6 in Item 8 of this Annual Report on Form 10-K.

Access to Capital and Credit Ratings

We intend to fund short-term and long-term obligations as they mature through cash on hand, including the proceeds from the recently completed sale of our Kidney Care business, future cash flows from operations, or by issuing additional debt, which could include commercial paper. We had $1.76 billion of cash and cash equivalents as of December 31, 2024, with adequate cash available to meet operating requirements in each jurisdiction in which we operate. We invest our excess cash in money market and other funds and diversify the concentration of cash among different financial institutions. As of December 31, 2024, we had $13.13 billion of long-term debt and finance lease obligations, including current maturities, and short-term debt. As of February 21, 2025, we repaid $3.13 billion of short- and long-term indebtedness primarily with the net after-tax cash proceeds from the sale of our Kidney Care business, and we expect to use substantially all of the remaining net after-tax proceeds to continue to repay indebtedness through the second quarter of 2025. Subject to market conditions, we regularly evaluate opportunities with respect to our capital structure (including with respect to the potential refinancing of our outstanding indebtedness).

Our ability to generate cash flows from operations, issue debt, including commercial paper, or enter into other financing arrangements on acceptable terms could be adversely affected if there is a material decline in the demand for our products or in the solvency of our customers or suppliers, deterioration in our key financial ratios or credit ratings or other significantly unfavorable changes in conditions. However, we believe we have sufficient financial flexibility to issue debt, enter into other financing arrangements and attract long-term capital on acceptable terms to support our growth objectives and further reduce our debt levels as we take actions consistent with our capital allocation priorities.

Our credit ratings at December 31, 2024 were as follows:

	Standard & Poor's	Moody's
Ratings		
Senior debt	BBB	Baa2
Short-term debt	A2	P2
Outlook	Negative	Stable

In May 2024, our contract with Fitch expired. In June 2024, Fitch affirmed and withdrew ratings and coverage on us. As a result they no longer maintain ratings on our senior debt or our short-term debt.

Contractual Obligations

As of December 31, 2024, we had contractual obligations, excluding accounts payable and accrued expenses and other current liabilities, payable or maturing in the following periods.

(in millions)	Total	Less than one year	More than one year
Long-term debt and finance lease obligations, including current maturities	$ 13,180	$ 2,757	$ 10,423
Interest on short- and long-term debt and finance lease obligations [1]	2,348	347	2,001
Operating leases	361	93	268
Other non-current liabilities[2]	323	—	323
Purchase obligations[3]	580	159	421
Contractual obligations[2]	$ 16,792	$ 3,356	$ 13,436

1. Interest payments on debt and finance lease obligations are calculated for future periods using interest rates in effect at the end of 2024. Certain of these projected interest payments may differ in the future based on foreign currency fluctuations or other factors or events. The projected interest payments only pertain to obligations and agreements outstanding at December 31, 2024. Refer to Note 6 and Note 7, respectively, in Item 8 of this Annual Report on Form 10-K for further discussion regarding our debt instruments outstanding and finance lease obligations at December 31, 2024.

2. The primary components of other non-current liabilities in our consolidated balance sheet as of December 31, 2024 are pension and other postretirement benefits, deferred tax liabilities, long-term tax liabilities, and litigation and environmental reserves. We projected the timing of the related future cash payments based on contractual maturity dates (where applicable) and estimates of the timing of payments (for liabilities with no contractual maturity dates). The actual timing of payments could differ from our estimates.

   We contributed $46 million and $27 million to our defined benefit pension plans in 2024 and 2023, respectively. The timing of funding in future periods is uncertain and is dependent on future movements in interest rates, investment returns, changes in laws and regulations, and other variables. Therefore, the table above excludes cash outflows related to our pension plans. The amount included within other non-current liabilities (and excluded from the table above) related to our pension plan liabilities was $553 million as of December 31, 2024. We have no obligation to fund our principal plans in the United States in 2025. We continually reassess the amount and timing of any discretionary contributions. In 2025, we expect to make contributions of at least $26 million to our Puerto Rico plan and $7 million to our foreign pension plans. We expect to have net cash outflows relating to our OPEB plans of $16 million in 2025. Additionally, we have excluded long-term tax liabilities, which include liabilities for unrecognized tax positions, and deferred tax liabilities from the table above because we are unable to estimate the timing of the related cash outflows. The amounts of long-term tax liabilities and deferred tax liabilities included within other non-current liabilities (and excluded from the table above) were $94 million and $103 million, respectively, as of December 31, 2024.

3. Includes our significant contractual unconditional purchase obligations. For cancellable agreements, any penalty due upon cancellation is included. These commitments do not exceed our projected requirements and are in the normal course of business. Examples include firm commitments for raw material and component part purchases, utility agreements and service contracts.

0-20250711108838 ank=20250711

Off-Balance Sheet Arrangements

We periodically enter into off-balance sheet arrangements. Certain contingencies arise in the normal course of business and are not recorded in the consolidated balance sheets in accordance with U.S. GAAP (such as contingent joint development and commercialization arrangement payments). Also, upon resolution of uncertainties, we may incur charges in excess of presently established liabilities for certain matters (such as contractual indemnifications). For a discussion of our significant off-balance sheet arrangements, refer to Note 3 and Note 8 in Item 8 of this Annual Report on Form 10-K for information regarding joint development and commercialization arrangements, indemnifications and legal contingencies.

FINANCIAL INSTRUMENT MARKET RISK

We operate on a global basis and are exposed to the risk that our earnings, cash flows and equity could be adversely impacted by fluctuations in foreign exchange and interest rates. Our hedging policy attempts to manage these risks to an acceptable level based on our judgment of the appropriate trade-off between risk, opportunity and costs. Refer to Note 16 in Item 8 of this Annual Report on Form 10-K for further information regarding our financial instruments and hedging strategies.

Currency Risk

We are primarily exposed to foreign exchange risk with respect to revenues generated outside of the United States denominated in the Euro, British Pound, Australian Dollar, Canadian Dollar, Chinese Renminbi, Japanese Yen, Mexican Peso, Indian Rupee and Swedish Krona. We manage our foreign currency exposures on a consolidated basis, which allows us to net exposures and take advantage of any natural offsets. In addition, we use derivative and nonderivative financial instruments to further reduce the net exposure to foreign exchange. Gains and losses on the hedging instruments offset losses and gains on the hedged transactions and reduce the earnings and stockholders' equity volatility relating to foreign exchange. However, we don't hedge our entire foreign exchange exposure and are still subject to earnings and stockholders' equity volatility relating to foreign exchange risk. Financial market and currency volatility may limit our ability to cost-effectively hedge these exposures.

We primarily use forward contracts to hedge the foreign exchange risk to earnings relating to forecasted transactions and recognized assets and liabilities denominated in foreign currencies. The maximum term over which we have cash flow hedge contracts in place related to foreign exchange risk on forecasted transactions as of December 31, 2024 is 11 months. We also enter into derivative instruments to hedge foreign exchange risk on certain intra-company and third-party receivables and payables and debt denominated in foreign currencies.

As part of our risk-management program, we perform sensitivity analyses to assess potential changes in the fair value of our foreign exchange instruments relating to hypothetical and reasonably possible near-term movements in foreign exchange rates.

A sensitivity analysis of changes in the fair value of foreign exchange contracts outstanding as of December 31, 2024, while not predictive in nature, indicated that if the U.S. Dollar uniformly weakened by 10% against all currencies, the net pre-tax asset balance of $5 million with respect to those contracts would change by $5 million. A similar analysis performed with respect to contracts outstanding as of December 31, 2023 indicated that, on a pre-tax basis, the net asset balance of $40 million would change by $151 million.

The sensitivity analysis model recalculates the fair value of the foreign exchange contracts outstanding as of December 31, 2024 by replacing the actual exchange rates as of December 31, 2024 with exchange rates that are 10% weaker compared to the actual exchange rates for each applicable currency. All other factors are held constant. These sensitivity analyses disregard the possibility that currency exchange rates can move in opposite directions and that gains from one currency may or may not be offset by losses from another currency. The analyses also disregard the offsetting change in value of the underlying hedged transactions and balances.

In February 2022, the three-year cumulative inflation rate in Turkey exceeded 100 percent. As a result, on April 1, 2022, we began reporting the results of our subsidiary in that jurisdiction using highly inflationary accounting, which requires that the functional currency of the entity be changed to the reporting currency of its parent. As of December 31, 2024, our subsidiary in Turkey had net monetary assets of $27 million.

ank-20250711088339

Interest Rate Risk

We are also exposed to the risk that our earnings and cash flows could be adversely impacted by fluctuations in interest rates. Our policy is to manage interest costs using the mix of fixed- and floating-rate debt that we believe is appropriate at that time. To manage this mix in a cost-efficient manner, we periodically enter into interest rate swaps in which we agree to exchange, at specified intervals, the difference between fixed and floating interest amounts calculated by reference to an agreed-upon notional amount. We also periodically use forward-starting interest rate swaps and treasury rate locks to hedge the risk to earnings associated with fluctuations in interest rates relating to anticipated issuances of term debt. As of December 31, 2024, there were no interest rate derivative contracts outstanding and we had $3.48 billion of outstanding floating rate debt. A 100 basis point change in interest rates would impact our pre-tax earnings and cash flows by $35 million over a one-year period.

CHANGES IN ACCOUNTING STANDARDS

Refer to Note 1 in Item 8 of this Annual Report on Form 10-K for information on recently adopted accounting pronouncements.

RECENT ACCOUNTING PRONOUNCEMENTS

Recently issued accounting standards not yet adopted

In November 2024, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) 2024-03, Income Statement - Reporting Comprehensive Income - Expense Disaggregation Disclosures (Subtopic 220-40): Disaggregation of Income Statement Expenses, which requires disaggregated disclosure of certain expenses on an interim and annual basis in the notes to the financial statements. This standard is effective for annual consolidated financial statements for the year ending December 31, 2027 and for interim periods beginning in 2028. We are currently evaluating the impact of this new standard on our consolidated financial statements.

In December 2023, the FASB issued ASU 2023-09, Income Taxes (Topic 740): Improvement to Income Tax Disclosures, which requires (1) disclosure of specific categories in the rate reconciliation and (2) additional information for reconciling items that meet a quantitative threshold. Additionally, the amendment requires disclosure of certain disaggregated information about income taxes paid, income from continuing operations before income tax expense (benefit) and income tax expense (benefit). The standard is effective for our annual consolidated financial statements for the year ending December 31, 2025. We are currently evaluating the impact of this standard on our consolidated financial statements.

CRITICAL ACCOUNTING POLICIES

The preparation of financial statements in accordance with U.S. GAAP requires management to make estimates and judgments that affect the reported amounts of assets, liabilities, revenues and expenses. A summary of our significant accounting policies is included in Note 1 in Item 8 of this Annual Report on Form 10-K. Certain of our accounting policies are considered critical, as these policies are the most important to the depiction of our financial statements and require significant, difficult or complex judgments by us, often employing the use of estimates about the effects of matters that are inherently uncertain. Actual results that differ from our estimates could have an unfavorable effect on our results of operations and financial position. The following is a summary of accounting policies that we consider critical to the consolidated financial statements.

Revenue Recognition and Related Provisions and Allowances

Revenues from product sales are recorded at the net sales price (transaction price), which includes estimates of variable consideration primarily related to rebates and distributor chargebacks. These reserves are based on estimates of the amounts earned or to be claimed on the related sales. Our estimates take into consideration historical experience, current contractual and statutory requirements, specific known market events and trends, industry data, and forecasted customer buying and payment patterns. Overall, these reserves reflect our best estimates of the amount of consideration to which we are entitled based on the terms of the contract. The amount of variable consideration included in the net sales price is limited to the amount that is probable not to result in a significant reversal in the amount of the cumulative revenue recognized in a future period. Additionally, our contracts with customers often include promises to transfer multiple products and services to a customer.

Determining whether products and services are considered distinct performance obligations that should be accounted for separately and determining the allocation of the transaction price may require significant judgment.

Pension and OPEB Plans

We provide pension and other postretirement benefits to certain of our employees. The service component of employee benefit expenses is reported in the same line items in the consolidated income statements as the applicable employee's compensation expense. All other components of these employee benefit expenses are reported in other (income) expense, net in our consolidated statements of income (loss). The valuation of the funded status and net periodic benefit cost for the plans is calculated using actuarial assumptions. These assumptions are reviewed annually and revised if appropriate. The significant assumptions include the following:

- interest rates used to discount pension and OPEB plan liabilities;
- the long-term rate of return on pension plan assets;
- rates of increase in employee compensation (used in estimating liabilities);
- anticipated future healthcare trend rates (used in estimating the OPEB plan liability); and
- other assumptions involving demographic factors such as retirement, mortality and turnover (used in estimating liabilities).

Selecting assumptions involves an analysis of both short-term and long-term historical trends and known economic and market conditions at the time of the valuation (also called the measurement date). The use of different assumptions would result in different measures of the funded status and net cost. Actual results in the future could differ from expected results.

Our key assumptions are listed in Note 13 in Item 8 of this Annual Report on Form 10-K. The most critical assumptions relate to the plans covering U.S. and Puerto Rico employees, because these plans are the most significant to our consolidated financial statements.

Discount Rate Assumption

Effective for the December 31, 2024 measurement date, we utilized discount rates of 5.72% and 5.55%, respectively, to measure the benefit obligations for our most significant pension and OPEB plans, which cover U.S. and Puerto Rico employees. We used a broad population of approximately 200 Aa-rated corporate bonds as of December 31, 2024 to determine the discount rate assumption. All bonds were denominated in U.S. Dollars, with a minimum amount outstanding of $50 million. This population of bonds was narrowed from a broader universe of approximately 700 Moody's Aa rated, non-callable (or callable with make-whole provisions) bonds by eliminating the top 10th percentile and bottom 40th percentile to adjust for any pricing anomalies and to represent the bonds we would most likely select if we were to actually annuitize our pension and OPEB plan liabilities. This portfolio of bonds was used to generate a yield curve and associated spot rate curve to discount the projected benefit payments for the U.S. and Puerto Rico plans. The discount rate is the single level rate that produces the same result as the spot rate curve.

For plans in Canada, Japan, the United Kingdom and other European countries, we use a method essentially the same as that described for the U.S. and Puerto Rico plans. For our other international plans, the discount rate is generally determined by reviewing country- and region-specific government and corporate bond interest rates.

To understand the impact of changes in discount rates on pension and OPEB plan cost, we perform a sensitivity analysis. Holding all other assumptions constant, for each 50 basis point increase in the discount rate, global pre-tax pension and OPEB plan cost would decrease by $3 million, and for each 50 basis point decrease in the discount rate, global pre-tax pension and OPEB plan cost would increase by $1 million.

Return on Plan Assets Assumption

In measuring the net periodic cost for 2024, we used a long-term expected rate of return of 6.75% for our most significant pension plans, which cover U.S. and Puerto Rico employees. This assumption will remain the same in 2025. This assumption is not applicable to our OPEB plan because it is not funded.

ank=20250711084

We establish the long-term asset return assumption based on a review of historical compound average asset returns, both company-specific and relating to the broad market (based on our asset allocation), as well as an analysis of current market and economic information and future expectations. The current asset return assumption is supported by historical market experience for both our actual and targeted asset allocation. In calculating net pension cost, the expected return on assets is applied to a calculated value of plan assets, which recognizes changes in the fair value of plan assets in a systematic manner over five years. The difference between this expected return and the actual return on plan assets is a component of the total net unrecognized gain or loss and is subject to amortization in the future.

To understand the impact of changes in the expected asset return assumption on net cost, we perform a sensitivity analysis. Holding all other assumptions constant, for each 50 basis point increase (decrease) in the asset return assumption, global pre-tax pension plan cost would decrease (increase) by approximately $14 million.

10-20250711084

Other Assumptions

ank=20250711

For the U.S. and Puerto Rico plans, we used the Pri-2012 combined mortality table with improvements projected using the MP-2021 projection scale adjusted to a long-term improvement of 0.8% as of December 31, 2024. For all other pension plans, we utilized country- and region-specific mortality tables to calculate the plans' benefit obligations. We periodically analyze and update our assumptions concerning demographic factors such as retirement, mortality and turnover, considering historical experience as well as anticipated future trends.

The assumptions relating to employee compensation increases and future healthcare costs are based on historical experience, market trends, and anticipated future company actions.

Deferred Tax Asset Valuation Allowances and Reserves for Uncertain Tax Positions

We maintain valuation allowances unless it is more likely than not that all or a portion of the deferred tax asset will be realized. Changes in valuation allowances are included in our tax provision in the period of change. In determining whether a valuation allowance is warranted, we evaluate factors such as prior earnings history, expected future earnings, carryback and carryforward periods, and tax strategies that could potentially enhance the likelihood of realization of a deferred tax asset. The realizability assessments made at a given balance sheet date are subject to change in the future, particularly if earnings of a subsidiary are significantly higher or lower than expected, or if we take operational or tax planning actions that could impact the future taxable earnings of a subsidiary.

In the normal course of business, we are audited by federal, state and foreign tax authorities, and are periodically challenged regarding the amount of taxes due. These challenges relate to the timing and amount of deductions and the allocation of income among various tax jurisdictions. We believe our tax positions comply with applicable tax law and we intend to defend our positions. In evaluating the exposure associated with various tax filing positions, we record reserves for uncertain tax positions in accordance with U.S. GAAP based on the technical support for the positions, our past audit experience with similar situations, and potential interest and penalties related to the matters. Our results of operations and effective tax rate in a given period could be impacted if, upon final resolution with taxing authorities, we prevail in positions for which reserves have been established, or we are required to pay amounts in excess of established reserves.

Realization of our U.S. and foreign operating loss and tax credit carryforwards depends on generating sufficient future earnings. A valuation allowance of $536 million and $584 million was recognized as of December 31, 2024 and 2023, respectively, to reduce the deferred tax assets associated with net operating loss and tax credit carryforwards because we do not believe it is more likely than not that these assets will be fully realized prior to expiration. After evaluating relevant U.S. tax laws, any elections or other opportunities that may be available, and the future expiration of certain U.S. tax provisions that will impact the utilization of our U.S. foreign tax credit carryforwards, management expects to be able to realize some, but not all, of the U.S. foreign tax credit deferred tax assets up to its recurring and non-recurring foreign inclusions. Therefore, a valuation allowance of $131 million and $130 million was recognized with respect to the foreign tax credit carryforwards as of December 31, 2024 and 2023, respectively. We will continue to evaluate the need for additional valuation allowances and, as circumstances change, the valuation allowance may change.

Impairment of Goodwill and Other Long-Lived Assets

Goodwill

Goodwill is initially measured as the excess of the purchase price over the fair value (or other measurement attribute required by U.S. GAAP) of acquired assets and liabilities in a business combination. Management performs an impairment test in the fourth quarter of each year, or whenever events or changes in circumstances indicate that the fair value of the reporting unit is more likely than not below its carrying amount. We have the option to assess goodwill for impairment by initially performing a qualitative assessment to determine whether it is more-likely-than-not that the fair value of a reporting unit is less than its carrying amount. If we determine that it is not more-likely-than-not that the fair value of a reporting unit is less than its carrying amount, then the quantitative goodwill impairment test is not required to be performed. If we determine that it is more-likely-than-not that the fair value of a reporting unit is less than its carrying amount, or if we do not elect the option to perform an initial qualitative assessment, we perform a quantitative goodwill impairment test. In the quantitative impairment test, we calculate the estimated fair value of the reporting unit. If the carrying amount of the reporting unit exceeds the estimated fair value, an impairment charge is recorded for the amount that the reporting unit's carrying amount, including goodwill, exceeds its fair value, limited to the total amount of goodwill allocated to that reporting unit.

In a quantitative goodwill impairment test, the fair values of our reporting units are generally determined based on a discounted cash flow model (an income approach) and earnings multiples (a market approach) based on the guideline public company method. Significant assumptions used in reporting unit fair value measurements generally include revenue growth rates, forecasted EBITDA margins, discount rates, terminal growth rates and earnings multiples. The discounted cash flow models used to determine the fair values of our reporting units during 2024 reflected our most recent cash flow projections, discount rates ranging from 9.0% to 9.5% and terminal growth rates ranging from 3.0% to 3.25%. Each of these inputs can significantly affect the fair values of our reporting units.

Our operating and reportable segments were changed in the third quarter of 2023 to align with our new operating model: Medical Products & Therapies, Healthcare Systems & Technologies (formerly referred to as our Hillrom segment) and Pharmaceuticals. As a result of this segment change, we reallocated the goodwill from our previous Americas, EMEA and APAC segments to the reporting units within our new Medical Products & Therapies and Pharmaceuticals segments based on the relative fair values of those reporting units. We performed impairment tests both before and after the reporting unit change and determined that no goodwill impairment had occurred.

In connection with our annual goodwill impairment assessment in the fourth quarter of 2024, we recorded a $425 million goodwill impairment related to our Front Line Care reporting unit within our Healthcare Systems & Technologies segment. The reduction in value was primarily due to lower forecasted operating results and a lower terminal growth rate utilized in valuing this reporting unit which contributed to reduced expected future cash flows, as well as lower earnings multiples. The fair value of the Front Line Care reporting unit was determined based on a discounted cash flow model (an income approach) and earnings multiples (a market approach) based on the guideline public company method. Significant assumptions used in the determination of the fair values of our reporting units generally include revenue growth rates, forecasted EBITDA margins, discount rates, terminal growth rates and earnings multiples. The discounted cash flow model used to determine the fair value of our Front Line Care reporting unit reflected our most recent cash flow projections, a discount rate of 9.5% and a terminal growth rate of 3.25%. In order to evaluate the sensitivity of the fair value calculations used in the Front Line Care reporting unit goodwill impairment test, we applied a hypothetical 5% decrease to the fair value and compared that hypothetical value to the underlying asset carrying value. The application of a hypothetical 5% decrease in fair value would result in an additional impairment of approximately $200 million. As of December 31, 2024, the carrying amount of goodwill for our Front Line Care reporting unit was $1.99 billion. No goodwill impairments were recorded for our remaining reporting units in connection with our annual goodwill impairment tests because the fair values of those reporting units exceeded their carrying amounts.

We acquired Hillrom on December 13, 2021 and recognized $6.83 billion of goodwill and $6.03 billion of other intangible assets, including $1.91 billion of indefinite-lived intangible assets, in connection with that acquisition. In the second half of 2022, we recognized $2.81 of goodwill impairments related to the reporting units within our Hillrom segment (currently referred to as out Healthcare Systems & Technologies segment). As discussed below, we also recognized impairments of indefinite-lived intangible assets related to that business, consisting primarily of trade names.

ank=0000950170-25071108841

Other Long-Lived Assets

Other long-lived assets are primarily comprised of property, plant and equipment and intangible assets, including both indefinite-lived intangible assets and amortizing intangible assets.

Indefinite-Lived Intangible Assets

Indefinite-lived intangible assets, such as IPR&D acquired in business combinations and certain trade names with indefinite lives, are subject to an impairment review annually and whenever indicators of impairment exist. We have the option to assess indefinite-lived intangible assets for impairment by first performing qualitative assessments to determine whether it is more-likely-than-not that the fair values of the indefinite-lived intangible assets are less than the carrying amounts. If we determine that it is more-likely-than-not that an indefinite-lived intangible asset is impaired, or if we elect not to perform an initial qualitative assessment, we then perform the quantitative impairment test by comparing the fair value of the indefinite-lived intangible asset with its carrying amount. If the carrying amount exceeds the fair value of the indefinite-lived intangible asset, we write the carrying amount down to the fair value.

In a quantitative indefinite-lived intangible asset impairment test, fair values are generally determined based on a discounted cash flow model. Significant assumptions used in valuations of indefinite-lived intangible assets include the forecasted cash flows, discount rates, the assessment of the asset's life cycle, the stage in completion (for acquired IPR&D intangible assets), royalty rates, terminal growth rates and contributory asset charges. The relief from royalty models used in the determination of the fair values of our trade name intangible assets during 2024 reflected our most recent revenue projections, a discount rate of 9%, a royalty rate of 5% and a terminal growth rate of 3.0%. Each of these factors and assumptions can significantly affect the value of the intangible asset. We tested our indefinite-lived intangible trade name intangible asset for impairment during the fourth quarter of 2024 and determined that no impairment had occurred.

In connection with our annual IPR&D impairment assessment in the fourth quarter of 2024, we recognized a pre-tax impairment charge of $50 million to reduce the carrying amount of an IPR&D asset to its fair value. The reduction in value was primarily due to lower forecasted revenues and margins which contributed to reduced expected future cash flows. The intangible asset impairment charge is classified within research and development expenses in the accompanying consolidated statements of income (loss) for the year ended December 31, 2024. The fair value of the IPR&D asset was determined using the multi-period excess earnings method. Significant assumptions used in the determination of the fair value of the IPR&D asset included forecasted cash flows and the discount rate. The multi-period excess earnings model used in our determination of the fair value of the IPR&D asset reflected our most recent cash flow projections and a discount rate of 11%.

The total carrying amount of our indefinite-lived intangible assets was $787 million as of December 31, 2024, comprised of a trade name intangible asset and IPR&D.

During the fourth quarter of 2023, as a result of an update to our long-term branding strategy, we reclassified two trade name intangible assets with carrying amounts of $870 million and $21 million from indefinite-lived intangible assets to amortizing intangible assets. The estimated useful lives assigned to those assets were 15 years and 5 years, respectively. We performed impairment tests of those intangible assets at the time of the reclassification and determined that no impairment had occurred.

Intangible Assets with Definite Lives and Property, Plant and Equipment

We review the carrying amounts of long-lived assets used in operations, other than goodwill and intangible assets not subject to amortization, for potential impairment when events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. In evaluating recoverability, we group assets and liabilities at the lowest level such that the identifiable cash flows relating to the group are largely independent of the cash flows of other assets and liabilities. We then compare the carrying amounts of the assets or asset groups with the related estimated undiscounted future cash flows. In the event an asset (or asset group) is not recoverable, an impairment charge is recorded as the amount by which the carrying amount of the asset (or asset group) exceeds its fair value. However, the portion of an impairment loss allocated to an individual long-lived asset within an asset group cannot reduce the carrying amount of that asset below its fair value if its fair value is determinable without undue cost and effort.

During the third quarter of 2022, we recognized pre-tax impairment charges of $332 million to reduce the carrying amounts of certain indefinite-lived intangible assets, which primarily related to the Hillrom and Welch Allyn trade names acquired in the Hillrom acquisition, to their estimated fair values. Additionally, during 2022 we recognized pre-tax impairment charges of $12 million related to developed technology intangible assets due to declines in market expectations for the related products.

Long-Lived Assets Held for Sale

Long-lived assets are classified as held for sale when certain criteria are met, including when management has committed to sell the asset, the asset is available for sale in its present condition and the sale is probable of being completed within one year of the balance sheet date. Assets held for sale are no longer depreciated or amortized and they are reported at the lower of their carrying amount or fair value less cost to sell.

Our goodwill and other long-lived asset fair value measurements are classified as Level 3 in the fair value hierarchy because they involve significant unobservable inputs.

Further adverse changes to macroeconomic conditions or our earnings forecasts could lead to additional goodwill or other long-lived asset impairment charges in future periods and such charges could be material to our results of operations.

CERTAIN REGULATORY MATTERS

In July 2017, immediately prior to the closing of our acquisition of Claris Injectables Limited (Claris), FDA commenced an inspection of the Claris' facilities in Ahmedabad, India. FDA completed the inspection and subsequently issued a Warning Letter based on observations identified in the 2017 inspection (2017 Warning Letter).[1] FDA re-inspected the facilities and issued a Form FDA 483 on May 17, 2022. On September 1, 2022, FDA notified us that the inspection had been classified as voluntary action indicated. From January 19, 2023 to January 27, 2023, FDA performed an inspection at the Ahmedabad site, concluding with the issuance of a Form FDA 483. On April 26, 2023, FDA notified us that the inspection had been classified as official action indicated. We received a Warning Letter on July 25, 2023 based on observations identified in the January 2023 inspection (2023 Warning Letter)[2]. Since the issuance of the 2017 Warning Letter, we have implemented corrective and preventive actions to address FDA's related observations, as well as other enhancements at the site. We have fully responded to the 2023 Warning Letter, have implemented additional corrective and preventive actions, and continue to engage with FDA regarding the agency's observations. In addition, since the issuance of the 2017 Warning Letter, we have secured other sites in our manufacturing network and have launched and distribute select products from those sites in the U.S.

Refer to Item 1A. Risk Factors of this Annual Report on Form 10-K for additional discussion of regulatory matters and how they may impact us.

[1] Available online at https://www.fda.gov/ICECI/EnforcementActions/WarningLetters/ucm613538.htm

[2] Available online at https://www.fda.gov/inspections-compliance-enforcement-and-criminal-investigations/warning-letters/baxter-healthcare-corporation-654136-07252023

FORWARD-LOOKING INFORMATION

Certain statements contained in this Annual Report may constitute "forward-looking statements," as defined in the Private Securities Litigation Reform Act of 1995, that involve risks and uncertainties. Forward-looking statements provide current expectations of future events based on certain assumptions and include any statement that does not directly relate to any historical or current fact. These statements by their nature address matters that are uncertain to different degrees. Use of the words "may," "will," "would," "could," "should," "believes," "estimates," "projects," "potential," "expects," "plans," "seeks," "intends," "evaluates," "pursues," "anticipates," "continues," "designs," "impacts," "affects," "forecasts," "target," "outlook," "initiative," "objective," "designed," "priorities," "goal," or the negative of those words or other similar expressions may identify forward-looking statements, although not all forward-looking statements contain such words. These forward-looking statements may include statements with respect to the anticipated benefits of our recent strategic actions, our ability to successfully integrate acquisitions, the expected growth rates for our segments, accounting estimates and assumptions (including with respect to goodwill and other intangible asset impairments), global economic conditions, litigation-related matters, future

ank=20250710;20250710108842

regulatory filings (or the withdrawal or resubmission of any pending submissions) and our R&D pipeline (including anticipated product approvals or clearances), sales from new product offerings, credit exposure to foreign governments, the adequacy of cash flows and credit facilities, potential developments with respect to credit ratings, investment of foreign earnings, estimates of liabilities including those related to uncertain tax positions, contingent payments, future pension plan contributions, costs, discount rates and rates of return, our exposure to financial market volatility and foreign currency, interest rate and credit risks, our net interest expense, the impact of inflation on our business, the impact of any significant new tariffs or changes in trade policies and treaties, the impact of competition, future sales growth, business development activities, cost saving initiatives, future capital and R&D expenditures, future debt issuances and refinancings, the adequacy of tax provisions and reserves, the effective income tax rate, the impacts of severe weather events (including Hurricane Helene) and all other statements that do not relate to historical facts.

These forward-looking statements are based on certain assumptions and analyses made in light of our experience and perception of historical trends, current conditions, and expected future developments as well as other factors that we believe are appropriate in the circumstances. While these statements represent our judgment on what the future may hold, and we believe these judgments are reasonable, these statements are not guarantees of any events or financial results. Whether actual future results and developments will conform to expectations and predictions is subject to a number of risks and uncertainties, including the following factors, many of which are beyond our control:

- our ability to achieve the intended benefits of our recent strategic actions, including the sale of our Kidney Care business, and cost saving initiatives;
- our ability to successfully integrate acquisitions, including the acquisition of Hillrom, and the related impact on our organization structure, senior leadership, culture, functional alignment, outsourcing and other areas, our management of resulting related personnel capacity constraints and potential institutional knowledge loss, and our ability to achieve anticipated performance or financial targets and maintain our reputation following integration;
- the impact of global economic conditions (including, among other things, changes in taxation, tariffs, trade policies and treaties, sanctions, embargos, export control restrictions, inflation levels and interest rates, financial market volatility, banking crises, the potential for a recession, the war in Ukraine, the conflict in the Middle East and other geopolitical events and the potential for escalation of these conflicts, the related economic sanctions being imposed globally in response to the conflicts and potential trade wars, global public health crises, pandemics and epidemics, or the anticipation of any of the foregoing, on our operations and our employees, customers, suppliers, and foreign governments in countries in which we operate;
- failure to accurately forecast or achieve our short-and long-term financial performance and goals, market and category growth rates, and related impacts on our liquidity;
- our ability to execute on our capital allocation plans, including our debt repayment plans, the timing and amount of any dividends, share repurchases and divestiture proceeds;
- downgrades to our credit ratings or ratings outlooks, or withdrawals by rating agencies from rating us and our indebtedness, and the related impact on our funding costs and liquidity;
- fluctuations in foreign exchange and interest rates;
- the impact of any goodwill, intangible asset, or other long-lived asset impairments on our operating results;
- our ability to finance and develop new products or services, or enhancements thereto, on commercially acceptable terms or at all;
- product development risks, including satisfactory clinical performance and obtaining and maintaining required regulatory approvals (including as a result of evolving regulatory requirements or the withdrawal or resubmission of any pending applications), the ability to manufacture at appropriate scale, and the general unpredictability associated with the product development cycle;
- demand and market acceptance risks for, and competitive pressures related to, new and existing products and services, challenges with accurately predicting changing customer preferences and future expenditures and inventory levels and with being able to monetize new and existing products and services (and to sustain any related price increases), the impact of those products and services on quality and patient safety concerns, and the need for ongoing training and support for our products and services;

- the impact of competitive products and pricing, including generic competition, drug reimportation, and disruptive technologies;
- regulatory agency inspections, product quality or patient safety issues leading to product recalls, withdrawals, labeling changes, launch delays, warning letters, import bans, denial of import certifications, sanctions, seizures, litigation, or declining sales, including the focus on evaluating product portfolios for the potential presence or formation of nitrosamines;
- future actions of, or failures to act or delays in acting by FDA, the European Medicines Agency, or any other regulatory body or government authority (including the SEC, DOJ, or the Attorney General of any state) that could delay, limit or suspend product development, manufacturing or sale or result in seizures, recalls, injunctions, monetary sanctions or criminal or civil liabilities;
- failures with respect to our quality, compliance or ethics programs;
- loss of key employees, including senior management, the occurrence of labor disruptions (including as a result of labor disagreements under bargaining agreements or national trade union agreements or disputes with works councils) or the inability to attract, develop, retain and engage employees;
- inability to create additional production capacity in a timely manner or the occurrence of other manufacturing, sterilization, or supply difficulties, including as a result of natural disaster (such as Hurricane Helene), war, terrorism, global public health crises and epidemics/pandemics, regulatory actions, or otherwise;
- future actions of third parties, including third-party payors and our customers and distributors (including GPOs and IDNs);
- the continuity, availability, and pricing of acceptable raw materials and component parts, our ability to pass some or all of these costs to our customers through price increases or otherwise, and the related continuity of our manufacturing and distribution and those of our suppliers;
- breaches, including by cyber-attack, data leakage, unauthorized access or theft, or failures of or vulnerabilities in, our information technology systems, or products;
- ability to effectively develop, integrate or deploy artificial intelligence, machine learning and other emerging technologies into our products, services and operations in a manner that is compliant with existing and emerging regulations;
- the impact of physical effects of climate change, severe storms (including Hurricane Helene) and storm-related events, including our ability to resume production at our North Cove facility to pre-hurricane levels and to complete the remediation;
- changes to legislation and regulation and other governmental pressures in the United States and globally, including the cost of compliance and potential penalties for purported noncompliance thereof, including new or amended laws, rules and regulations as well as the impact of healthcare reform and its implementation, suspension, repeal, replacement, amendment, modification and other similar actions undertaken by the United States or foreign governments, including with respect to pricing, reimbursement, taxation and rebate policies;
- ability meet evolving and varied corporate responsibility expectations of our stakeholders, including compliance with new and emerging sustainability regulations;
- global regulatory, trade, and tax policies, including with respect to climate change and other sustainability matters;
- the ability to protect or enforce our patents or other proprietary rights (including trademarks, copyrights, trade secrets, and know-how) or where the patents of third parties prevent or restrict our manufacture, sale, or use of affected products or technology;
- any changes in law concerning the taxation of income (whether with respect to current or future tax reform);
- actions by tax authorities in connection with ongoing tax audits;
- the outcome of pending or future litigation;
- other factors discussed elsewhere in this Annual Report on Form 10-K, including those factors described in Item 1A. Risk Factors, and other filings with the SEC, all of which are available on our website.

Actual results may differ materially from those projected in the forward-looking statements, which are more fully discussed in Item 1A. Risk Factors and Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations and elsewhere in this Annual Report on Form 10-K. These forward-looking statements are not exclusive and are in addition to other factors discussed elsewhere in this Annual Report on Form 10-K. Further, other unknown or unpredictable factors could also have material adverse effects on future results. Any forward-looking statement in this Annual Report on Form 10-K speaks only as of the date on which it is made. Except as required by law, we assume no obligation, and expressly disclaim any obligation, to update or revise any forward-looking statements, whether as a result of new information or future events.

Item 7A. ***Quantitative and Qualitative Disclosures About Market Risk.***

Incorporated by reference to the section entitled "Financial Instrument Market Risk" in Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations of this Annual Report on Form 10-K.

10-20250711084343

Item 8. ***Financial Statements and Supplementary Data.***

CONSOLIDATED BALANCE SHEETS

as of December 31 (in millions, except share information)	2024	2023
Current assets:		
Cash and cash equivalents	$ 1,764	$ 3,078
Accounts receivable, net of allowance of $71 in 2024 and $62 in 2023	1,679	1,719
Inventories	2,046	1,918
Prepaid expenses and other current assets	753	706
Current assets of discontinued operations	2,611	2,179
Total current assets	8,853	9,600
Property, plant and equipment, net	2,870	2,871
Goodwill	5,275	5,793
Other intangible assets, net	5,223	5,918
Operating lease right-of-use assets	306	336
Other non-current assets	755	809
Non-current assets of discontinued operations	2,500	2,949
Total assets	$ 25,782	$ 28,276
Current liabilities:		
Short-term debt	$ 2,126	$ —
Current maturities of long-term debt and finance lease obligations	626	2,667
Accounts payable	968	881
Accrued expenses and other current liabilities	1,861	1,915
Current liabilities of discontinued operations	930	1,040
Total current liabilities	6,511	6,503
Long-term debt and finance lease obligations, less current portion	10,374	11,089
Operating lease liabilities	243	265
Other non-current liabilities	1,076	1,400
Non-current liabilities of discontinued operations	554	551
Total liabilities	18,758	19,808
Commitments and contingencies		
Equity:		
Common stock, $1 par value, authorized 2,000,000,000 shares, issued 683,494,944 shares in 2024 and 2023	683	683
Common stock in treasury, at cost, 172,567,636 shares in 2024 and 175,861,893 shares in 2023	(11,059)	(11,230)
Additional contributed capital	6,421	6,389
Retained earnings	14,929	16,114
Accumulated other comprehensive income (loss)	(4,010)	(3,554)
Total Baxter stockholders' equity	6,964	8,402
Noncontrolling interests	60	66
Total equity	7,024	8,468
Total liabilities and equity	$ 25,782	$ 28,276

The accompanying notes are an integral part of these consolidated financial statements.

CONSOLIDATED STATEMENTS OF INCOME (LOSS)

years ended December 31 (in millions, except per share data)	2024	2023	2022
Net sales	$ 10,636	$ 10,360	$ 10,057
Cost of sales	6,652	6,210	6,508
Gross margin	3,984	4,150	3,549
Selling, general and administrative expenses	2,967	2,953	3,097
Research and development expenses	590	518	450
Goodwill impairments	425	—	2,812
Other operating expense (income), net	(12)	(28)	35
Operating income (loss)	14	707	(2,845)
Interest expense, net	341	439	394
Other (income) expense, net	(38)	26	9
Income (loss) from continuing operations before income taxes	(289)	242	(3,248)
Income tax (benefit) expense	37	61	(135)
Income (loss) from continuing operations	(326)	181	(3,113)
Income (loss) from discontinued operations, net of tax	(312)	2,482	692
Net income (loss)	(638)	2,663	(2,421)
Less: Net income attributable to noncontrolling interests included in continuing operations	—	—	1
Less: Net income attributable to noncontrolling interests included in discontinued operations	11	7	11
Net income (loss) attributable to Baxter stockholders	$ (649)	$ 2,656	$ (2,433)
Income (loss) from continuing operations per common share			
Basic	$ (0.64)	$ 0.36	$ (6.18)
Diluted	$ (0.64)	$ 0.36	$ (6.18)
Income (loss) from discontinued operations per common share			
Basic	$ (0.63)	$ 4.89	$ 1.35
Diluted	$ (0.63)	$ 4.87	$ 1.35
Net Income (loss) per common share			
Basic	$ (1.27)	$ 5.25	$ (4.83)
Diluted	$ (1.27)	$ 5.23	$ (4.83)
Weighted-average number of shares outstanding			
Basic	510	506	504
Diluted	510	508	504

The accompanying notes are an integral part of these consolidated financial statements.

ak-20250710-20250710038844

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (LOSS)

years ended December 31 (in millions)	2024	2023	2022
Income (loss) from continuing operations	$ (326)	$ 181	$ (3,113)
Other comprehensive income (loss) from continuing operations, net of tax:			
Currency translation adjustments, net of tax expense (benefit) of $1 in 2024, ($26) in 2023 and $35 in 2022	(648)	301	(647)
Pension and other postretirement benefit plans, net of tax expense of $(6) in 2024, $(25) in 2023 and $10 in 2022	(19)	(92)	(39)
Hedging activities, net of tax expense (benefit) of $3 in 2024, zero in 2023 and $2 in 2022	12	(1)	7
Available-for-sale debt securities, net of tax expense of zero in 2024 and 2023 and $1 in $2 in 2022	—	—	3
Total other comprehensive income (loss) from continuing operations, net of tax	(655)	208	(676)
Comprehensive income (loss) from continuing operations	(981)	389	(3,789)
Income (loss) from discontinued operations, net of tax	(312)	2,482	692
Other comprehensive income (loss) from discontinued operations			
Currency translation adjustments, net of tax expense (benefit) of $(7) in 2024, $8 in 2023 and $6 in 2022	187	97	168
Pension and other postretirement benefit plans, net of tax expense of $3 in 2024, $(2) in 2023 and $2 in 2022	(4)	(29)	55
Total other comprehensive income from discontinued operations	183	68	223
Comprehensive income (loss) from discontinued operations	(129)	2,550	915
Comprehensive income (loss)	(1,110)	2,939	(2,874)
Less: Net income attributable to noncontrolling interests	11	7	12
Less: Other comprehensive income (loss) attributable to noncontrolling interests	(16)	(3)	(5)
Comprehensive income (loss) attributable to Baxter stockholders	$ (1,105)	$ 2,935	$ (2,881)

The accompanying notes are an integral part of these consolidated financial statements.

0-20250711084845

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

	Baxter International Inc. stockholders' equity									
(in millions)	*Common stock shares*	*Common stock*	*Common stock shares in treasury*	*Common stock in treasury*	*Additional contributed capital*	*Retained earnings*	*Accumulated other comprehensive income (loss)*	*Total Baxter stockholders' equity*	*Noncontrolling interests*	*Total equity*
Balance as of January 1, 2022	683	$ 683	182	$ (11,488)	$ 6,197	$ 17,065	$ (3,380)	$ 9,077	$ 44	$ 9,121
Net income (loss)	—	—	—	—	—	(2,433)	—	(2,433)	12	(2,421)
Other comprehensive income (loss)	—	—	—	—	—	—	(453)	(453)	(5)	(458)
Purchases of treasury stock	—	—	—	(32)	—	—	—	(32)	—	(32)
Stock issued under employee benefit plans and other	—	—	(3)	131	125	—	—	256	—	256
Dividends declared on common stock	—	—	—	—	—	(582)	—	(582)	—	(582)
Change in noncontrolling interests	—	—	—	—	—	—	—	—	11	11
Balance as of December 31, 2022	683	$ 683	179	$ (11,389)	$ 6,322	$ 14,050	$ (3,833)	$ 5,833	$ 62	$ 5,895
Net income (loss)	—	—	—	—	—	2,656	—	2,656	7	2,663
Other comprehensive income (loss)	—	—	—	—	—	—	279	279	(3)	276
Stock issued under employee benefit plans and other	—	—	(3)	159	67	—	—	226	—	226
Dividends declared on common stock	—	—	—	—	—	(592)	—	(592)	—	(592)
Balance as of December 31, 2023	683	$ 683	176	$ (11,230)	$ 6,389	$ 16,114	$ (3,554)	$ 8,402	$ 66	$ 8,468
Net income (loss)	—	—	—	—	—	(649)	—	(649)	11	(638)
Other comprehensive income (loss)	—	—	—	—	—	—	(456)	(456)	(16)	(472)
Stock issued under employee benefit plans and other	—	—	(3)	171	32	—	—	203	—	203
Dividends declared on common stock	—	—	—	—	—	(536)	—	(536)	—	(536)
Change in noncontrolling interests	—	—	—	—	—	—	—	—	(1)	(1)
Balance as of December 31, 2024	683	$ 683	173	$ (11,059)	$ 6,421	$ 14,929	$ (4,010)	$ 6,964	$ 60	$ 7,024

The accompanying notes are an integral part of these consolidated financial statements.

CONSOLIDATED STATEMENTS OF CASH FLOWS

years ended December 31 (in millions)	2024	2023	2022
Cash flows from operations			
Net income (loss)	$ (638)	$ 2,663	$ (2,421)
Less: Income (loss) from discontinued operations, net of tax	(312)	2,482	692
Income (loss) from continuing operations	(326)	181	(3,113)
Adjustments to reconcile net income (loss) to cash flows from operations:			
Depreciation and amortization	997	984	1,072
Pension settlement and curtailment (gains) losses	—	1	(12)
Net periodic pension and other postretirement costs	(28)	(29)	42
Deferred income taxes	(262)	(256)	(260)
Stock compensation	114	115	140
Goodwill impairments	425	—	2,812
Intangible asset impairments	50	—	344
Other long-lived asset impairments	44	(11)	9
Loss on product divestiture arrangement	—	—	54
Reclassification of cumulative translation loss to earnings	—	—	65
Loss on subsidiary liquidation	—	—	21
Other	41	61	(40)
Changes in balance sheet items:			
Accounts receivable, net	(35)	(38)	(48)
Inventories	(201)	(128)	(198)
Prepaid expenses and other current assets	(125)	(45)	(44)
Accounts payable	112	92	(67)
Accrued expenses and other current liabilities	44	293	(158)
Other	(31)	(13)	(91)
Cash flows from operations – continuing operations	819	1,207	528
Cash flows from operations – discontinued operations	200	519	683
Cash flows from operations	1,019	1,726	1,211
Cash flows from investing activities			
Capital expenditures	(446)	(432)	(377)
Acquisitions of developed technology and investments	(14)	(4)	(258)
Proceeds from sale of marketable equity securities	34	—	—
Other investing activities, net	16	26	11
Cash flows from investing activities - continuing operations	(410)	(410)	(624)
Cash flows from investing activities - discontinued operations	(216)	3,623	(307)
Cash flows from investing activities	(626)	3,213	(931)
Cash flows from financing activities			
Increase in short term debt	1,830	—	—
Repayments of debt	(2,657)	(2,634)	(954)
Net (decreases) increases in debt with original maturities of three months or less	296	(301)	55
Cash dividends on common stock	(590)	(586)	(573)
Proceeds from stock issued under employee benefit plans	71	95	127
Purchases of treasury stock	—	—	(32)
Other financing activities, net	(31)	(63)	(61)
Cash flows from financing activities	(1,081)	(3,489)	(1,438)
Effect of foreign exchange rate changes on cash, cash equivalents and restricted cash	(96)	26	(76)
Increase (decrease) in cash, cash equivalents and restricted cash	(784)	1,476	(1,234)
Cash, cash equivalents and restricted cash at beginning of year [1]	3,198	1,722	2,956
Cash, cash equivalents and restricted cash at end of year [1]	2,414	3,198	1,722
Less cash and cash equivalents of discontinued operations	648	116	97
Cash, cash equivalents and restricted cash of continuing operations	$ 1,766	$ 3,082	$ 1,625

[1] The following table provides a reconciliation of cash, cash equivalents and restricted cash amounts as shown in the consolidated statement of cash flows to the amount reported in the consolidated balance sheet as of December 31, 2024, 2023, and 2022:

As of December 31 (in millions)	2024	2023	2022
Cash and cash equivalents	$ 1,764	$ 3,078	$ 1,621
Restricted cash included in prepaid expenses and other current assets	2	4	4
Cash, cash equivalents and restricted cash	$ 1,766	$ 3,082	$ 1,625

The accompanying notes are an integral part of these consolidated financial statements.

ank=20250711088846_710-20250711088846

NOTE 1
SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Operations

Baxter International Inc., through our subsidiaries (collectively, Baxter, we, our or us), provides a broad portfolio of essential healthcare products, including sterile intravenous (IV) solutions; infusion systems, administrative sets; parenteral nutrition therapies; surgical hemostat, sealant and adhesion prevention products; connected care solutions and collaboration tools, including smart bed systems, patient monitoring systems and diagnostic technologies; respiratory health devices; advanced equipment for the surgical space, including operating room integration technologies, precision positioning devices and other accessories; injectable pharmaceuticals; inhaled anesthetics and drug compounding services. These products are used by hospitals, nursing homes, rehabilitation centers, ambulatory surgery centers, doctors' offices, kidney dialysis centers and patients at home under physician supervision. Our global footprint and the critical nature of our products and services play a key role in expanding access to healthcare in emerging and developed countries. Our business is comprised of three reportable segments: Medical Products & Therapies, Healthcare Systems & Technologies, and Pharmaceuticals which are described in Note 18.

On August 12, 2024, we entered into an Equity Purchase Agreement (EPA) with certain affiliates of Carlyle Group Inc. (Carlyle) to sell our Kidney Care business. That business, which is now known as Vantive Health LLC (Vantive) is comprised of our former Kidney Care segment and provides chronic and acute dialysis therapies and services, including peritoneal dialysis, hemodialysis, continuous renal replacement therapies, and other organ support therapies. On January 31, 2025, we completed the sale of our Kidney Care business to Carlyle for an aggregate purchase price of $3.80 billion in cash, subject to certain closing cash, working capital and debt adjustments. After giving effect to certain adjustments, we received approximately $3.71 billion pre-tax cash proceeds at closing of the transaction with the net after tax proceeds currently estimated to be approximately $3.4 billion, subject to certain post-closing adjustments. We determined that our Kidney Care business met the criteria to be classified as held-for-sale in August 2024, and we also concluded that it met the conditions to be reported as a discontinued operation at that time. Accordingly, our Kidney Care business is reported in discontinued operations in the accompanying consolidated financial systems, and our prior period results have been adjusted to reflect discontinued operations presentation. See Note 2 for additional information.

Hurricane Helene

In September 2024, Hurricane Helene, which brought significant rain and extensive flooding to Western North Carolina, caused damage to certain of our assets at our North Cove facility in Marion, N.C. and disrupted operations at that facility. Since then, we have actively worked with our customers, regulators and other stakeholders to manage inventory and minimize disruption to patient care as we worked towards resuming our North Cove manufacturing operations. Our insurance policies generally cover the repair or replacement of our assets that suffer loss or damage, less applicable deductibles and subject to any coverage limits and exclusions. Our insurance policies also provide coverage for interruption to our business, including lost profits, and reimbursement for other expenses and costs that have been incurred relating to the damages and losses suffered. In 2024, we recorded $110 million of pre-tax net charges related to damages caused by Hurricane Helene. This consisted of $44 million related to the write-off of damaged inventory and fixed assets as well as $317 million of remediation, idle facility, air freight and other costs offset by $251 million of insurance recoveries. These amounts were recorded as a component of cost of sales in the consolidated statement of income (loss) for the year ended December 31, 2024.

Risks and Uncertainties

Supply Constraints and Global Economic Conditions

In recent years, we have experienced significant challenges to our global supply chain, including production delays and interruptions, increased costs and shortages of raw materials and component parts (including resins and electromechanical devices), higher transportation costs, adverse impacts from significant weather events (including Hurricane Helene and the flooding of our North Cove facility), elevated inflation levels and interest rates, disruptions to certain ports of call and access to shipping lanes around the world, the war in Ukraine, the conflict in the Middle East and other geopolitical events. While we have seen improvements in the availability of component parts and

improved pricing of raw materials and on transportation costs, some of these challenges (such as additional transportation costs resulting from Hurricane Helene as we transfer product across our global network in the interest of increasing the availability of intravenous solutions for our customers while we work to fully remediate our North Cove facility) are expected to have a negative impact on our results of operations in the future.

We expect that the challenges caused by global economic conditions, among other factors, may continue to have an adverse effect on our business.

0710-20250711084 ark=2025

Use of Estimates

The preparation of financial statements in conformity with U.S. Generally Accepted Accounting Principles (U.S. GAAP) requires us to make estimates and assumptions that affect the reported amounts and related disclosures in the consolidated financial statements and accompanying notes. Actual results could differ from those estimates.

Principles of Consolidation

The consolidated financial statements include the accounts of Baxter and our majority-owned subsidiaries that we control, after elimination of intra-company balances and transactions.

Revenue Recognition

Revenue is measured as the amount of consideration we expect to receive in exchange for transferring goods or providing services. A performance obligation is a promise in a contract to transfer a distinct good or service to the customer and is the unit of account in the contract. A contract's transaction price is allocated to each distinct performance obligation and recognized as revenue when, or as, the performance obligation is satisfied. Some of our contracts have multiple performance obligations. For contracts with multiple performance obligations, we allocate the contract's transaction price to each performance obligation using our best estimate of the standalone selling price of each distinct good or service in the contract. Our global payment terms are typically between 30-90 days.

Our primary customers are hospitals, healthcare distribution companies and government agencies that purchase healthcare products on behalf of providers. Most of our performance obligations are satisfied at a point in time. This includes sales of our broad portfolio of essential healthcare products across our business segments. We earn revenues from sterile IV solutions; infusion systems and devices; parenteral nutrition therapies; inhaled anesthetics; generic injectable pharmaceuticals; surgical hemostat and sealant products, smart bed systems; patient monitoring and diagnostic technologies; respiratory health devices; and advanced equipment for the surgical space. For most of those offerings, our performance obligation is satisfied upon delivery to the customer. Shipping and handling activities are considered to be fulfillment activities and are not considered to be a separate performance obligation.

To a lesser extent, we enter into arrangements for which revenue may be recognized over time. For example, we lease medical equipment to customers under operating lease arrangements and recognize the related revenues on a monthly basis over the lease term. Our Healthcare Systems & Technologies segment includes connected care solutions and collaboration tools that are implemented over time. We recognize revenue for these arrangements over time or at a point in time depending on our evaluation of when the customer obtains control of the promised goods or services. We also earn revenue from contract manufacturing activities, which is recognized over time as the services are performed. Revenue is recognized over time when we are creating or enhancing an asset that the customer controls as the asset is created or enhanced or our performance does not create an asset with an alternative use and we have an enforceable right to payment for performance completed.

As of December 31, 2024, we had $5.47 billion of transaction price allocated to remaining performance obligations related to executed contracts with an original duration of more than one year, which are primarily included in the Medical Product and Therapies segments. Some contracts in the United States included in this amount contain index-dependent price increases, which are not known at this time. We expect to recognize approximately 25% of this amount as revenue in 2025, 20% in 2026, 20% in 2027, 35% in 2028 and the remainder thereafter.

Significant Judgments

Revenues from product sales are recorded at the net sales price, which includes estimates of variable consideration, primarily related to rebates and distributor chargebacks. These reserves are based on estimates of the amounts earned or to be claimed on the related sales and are included in accrued expenses and other current liabilities and as reductions of accounts receivable, net on the consolidated balance sheets. Management's estimates take into consideration historical experience, current contractual and statutory requirements, specific known market events and trends, industry data and forecasted customer buying and payment patterns. Overall,

these reserves reflect our best estimates of the amount of consideration to which we are entitled based on the terms of the contract using the expected value method. The amount of variable consideration included in the net sales price is limited to the amount for which it is probable that a significant reversal in revenue will not occur when the related uncertainty is resolved. Revenue recognized in the years ended December 31, 2024, 2023 and 2022 related to performance obligations satisfied in prior periods was not material. Additionally, our contracts with customers often include promises to transfer multiple products and services to a customer. Determining whether products and services are considered distinct performance obligations that should be accounted for separately and determining the allocation of the transaction price may require significant judgment.

Practical Expedients

We apply a practical expedient to expense as incurred costs to obtain a contract with a customer when the amortization period would have been one year or less. We do not disclose the value of the transaction price that is allocated to unsatisfied performance obligations for contracts with an original expected length of less than one year. We have elected to use the practical expedient to not adjust the promised amount of consideration for the effects of a significant financing component if it is expected, at contract inception, that the period between when we transfer a promised good or service to a customer and when the customer pays for that good or service will be one year or less. Additionally, all taxes assessed by a governmental authority that are both imposed on and concurrent with a specific revenue-producing transaction and collected from a customer are excluded from revenue.

Accounts Receivable and Allowance for Doubtful Accounts

In the normal course of business, we provide credit to our customers, perform credit evaluations of these customers and maintain reserves for potential credit losses. In determining the amount of the allowance for doubtful accounts, we consider, among other items, historical credit losses, the past-due status of receivables, payment histories, other customer-specific information, current economic conditions and reasonable and supportable future forecasts. Receivables are written off when we determine that they are uncollectible.

Shipping and Handling Costs

Shipping costs incurred to physically move product from our premises to the customer's premises are classified as selling, general and administrative (SG&A) expenses. Handling costs, which are costs incurred to store, move and prepare products for shipment, are classified as cost of sales. Approximately $382 million in 2024, $358 million in 2023 and $388 million in 2022 of shipping costs were classified in SG&A expenses.

Cash, Cash Equivalents and Restricted Cash

Cash and cash equivalents include cash, certificates of deposit and money market and other short-term funds with original maturities of three months or less. Restricted cash represents cash balances restricted as to withdrawal or use and are included in prepaid expenses and other current assets on the consolidated balance sheets.

Inventories

Inventories are stated at the lower of cost or net realizable value determined by the first-in, first-out method. We review inventories on hand at least quarterly and record provisions for estimated excess, slow-moving and obsolete inventory, as well as inventory with a carrying value in excess of net realizable value.

Property, Plant and Equipment, Net

Property, plant and equipment are stated at cost. Depreciation expense is calculated using the straight-line method over the estimated useful lives of the related assets, which range from 20 to 50 years for buildings and improvements and from 3 to 15 years for machinery and equipment. Leasehold improvements are amortized over the life of the related facility lease (including any renewal periods, if appropriate) or the asset, whichever is shorter. We capitalize certain computer software and software development costs incurred in connection with developing or obtaining software for internal use. Capitalized software costs are included within machinery and equipment and are amortized on a straight-line basis over the estimated useful lives of the software, which generally range from three to five years.

0710-0002-5071108848
ark:/2025

Research and Development

Research and development (R&D) costs, including R&D acquired in transactions that are not business combinations, are expensed as incurred. Pre-regulatory approval contingent milestone obligations to counterparties in collaborative arrangements, which include acquired R&D, are expensed when the milestone is probable to be achieved. Contingent milestone payments made to such counterparties on or after regulatory approval are capitalized and amortized over the remaining useful life of the related product. Amounts capitalized for such payments are included in other intangible assets, net.

Acquired in-process R&D (IPR&D) is the value assigned to technology or products under development acquired in a business combination which have not received regulatory approval and have no alternative future use. Acquired IPR&D is capitalized as an indefinite-lived intangible asset. Development costs incurred after the acquisition are expensed as incurred. Upon receipt of regulatory approval of the related technology or product, the indefinite-lived intangible asset is accounted for as a finite-lived intangible asset and amortized on a straight-line basis over the estimated economic life of the related technology or product, subject to annual impairment reviews as discussed below. If the R&D project is abandoned, the indefinite-lived asset is charged to expense.

Collaborative Arrangements

We periodically enter into collaborative arrangements in the normal course of business. These collaborative arrangements take a number of forms and structures and are designed to enhance and expedite long-term sales and profitability growth. These arrangements may provide for us to obtain commercialization rights to a product under development, and require us to make upfront payments, contingent milestone payments, profit-sharing, and/or royalty payments. We may be responsible for ongoing costs associated with the arrangements, including R&D cost reimbursements to the counterparty. See the Research and Development section of this note regarding the accounting treatment of upfront and contingent milestone payments. Any royalty and profit-sharing payments during the commercialization phase are expensed as cost of sales when they become due and payable.

Restructuring Charges

We record liabilities for costs associated with exit or disposal activities in the period in which the liability is incurred. Employee termination costs are primarily recorded when actions are probable and estimable. Costs for one-time termination benefits in which the employee is required to render service until termination in order to receive the benefits are recognized ratably over the future service period. Refer to the discussion below regarding the accounting for asset impairment charges.

Goodwill, Intangible Assets and Other Long-Lived Assets

Goodwill is initially measured as the excess of the purchase price over the fair value (or other measurement attribute required by U.S. GAAP) of acquired assets and liabilities in a business combination. Management performs an impairment test in the fourth quarter of each year, or whenever events or changes in circumstances indicate that the fair value of the reporting unit is more likely than not below its carrying amount. We have the option to assess goodwill for impairment by initially performing a qualitative assessment to determine whether it is more-likely-than-not that the fair value of a reporting unit is less than its carrying amount. If we determine that it is not more-likely-than-not that the fair value of a reporting unit is less than its carrying amount, then the quantitative goodwill impairment test is not required to be performed. If we determine that it is more-likely-than-not that the fair value of a reporting unit is less than its carrying amount, or if we do not elect the option to perform an initial qualitative assessment, we perform a quantitative goodwill impairment test. In the quantitative impairment test, we calculate the estimated fair value of the reporting unit. If the carrying amount of the reporting unit exceeds the estimated fair value, an impairment charge is recorded for the amount that its carrying amount, including goodwill, exceeds its fair value, limited to the total amount of goodwill allocated to that reporting unit. In a quantitative goodwill impairment test, the fair values of our reporting units are generally determined based on a discounted cash flow model (an income approach) and earnings multiples (a market approach). Significant assumptions in reporting unit fair value measurements generally include revenue growth rates, forecasted earnings before interest, taxes, depreciation and amortization (EBITDA) margins, discount rates, terminal growth rates and earnings multiples. Each of those assumptions can significantly affect the fair values of our reporting units.

Indefinite-lived intangible assets, such as IPR&D acquired in business combinations and certain trade names with indefinite lives, are subject to an impairment review annually in the fourth quarter and whenever indicators of impairment exist. We have the option to assess indefinite-lived intangible assets for impairment by first performing

qualitative assessments to determine whether it is more-likely-than-not that the fair values of the indefinite-lived intangible assets are less than the carrying amounts. If we determine that it is more-likely-than-not that an indefinite-lived intangible asset is impaired, or if we elect not to perform an initial qualitative assessment, we then perform the quantitative impairment test by comparing the fair value of the indefinite-lived intangible asset with its carrying amount. If the carrying amount exceeds the fair value of the indefinite-lived intangible asset, we write the carrying amount down to the fair value.

We review the carrying amounts of long-lived assets used in operations, other than goodwill and intangible assets not subject to amortization, for potential impairment when events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. In evaluating recoverability, we group assets and liabilities at the lowest level such that the identifiable cash flows relating to the group are largely independent of the cash flows of other assets and liabilities. We then compare the carrying amounts of the assets or asset groups with the related estimated undiscounted future cash flows. In the event an asset (or asset group) is not recoverable, an impairment charge is recorded as the amount by which the carrying amount of the asset (or asset group) exceeds its fair value.

Long-lived assets are classified as held for sale when certain criteria are met, including when management has committed to sell the asset, the asset is available for sale in its present condition and the sale is probable of being completed within one year of the balance sheet date. Assets held for sale are no longer depreciated or amortized and they are reported at the lower of their carrying amount or fair value less cost to sell.

See Notes 3 and 5 for further information about impairments of goodwill and intangible assets recognized in the accompanying consolidated financial statements.

Investments in Debt and Equity Securities

Investments in debt securities classified as available-for-sale are measured at fair value with changes in fair value reported in other comprehensive (loss) income (OCI). Investments in marketable equity securities are classified as other non-current assets and are measured at fair value with gains and losses recognized in other (income) expense, net. We have elected to apply the measurement alternative to equity securities without readily determinable fair values. As such, our non-marketable equity securities are measured at cost, less any impairment, and are adjusted for changes in fair value resulting from observable transactions for identical or similar investments of the same issuer. Gains and losses on non-marketable equity securities are also recognized in other (income) expense, net. Noncontrolling investments in common stock or in-substance common stock are accounted for under the equity method if we have the ability to exercise significant influence over the operating and financial policies of the investee. We review our investments in debt and equity securities for impairment and adjust impaired investments to fair value through earnings, as required.

Income Taxes

Deferred taxes are recognized for the future tax effects of temporary differences between financial and income tax reporting based on enacted tax laws and rates. We maintain valuation allowances unless it is more-likely-than-not that the deferred tax asset will be realized. With respect to uncertain tax positions, we determine whether the position is more-likely-than-not to be sustained upon examination based on the technical merits of the position. Any tax position that meets the more-likely-than-not recognition threshold is measured and recognized in the consolidated financial statements at the largest amount of benefit that is greater than 50% likely of being realized upon ultimate settlement. The liability relating to uncertain tax positions is classified as current in the consolidated balance sheets to the extent that we anticipate making a payment within one year. Interest and penalties associated with income taxes are classified in the income tax expense (benefit) line in the consolidated statements of income (loss).

Foreign Currency Translation

Cumulative translation adjustments (CTA) related to foreign operations are included in OCI. For foreign operations in highly inflationary economies, translation gains and losses are included in other (income) expense, net, and were not material in 2024, 2023 and 2022.

Derivatives and Hedging Activities

Derivative instruments are recognized as either assets or liabilities at fair value in the consolidated balance sheets and are classified as short-term or long-term based on the scheduled maturity of the instrument. We designate

ank=20250710088449

certain of our derivatives and foreign-currency denominated debt as hedging instruments in cash flow, fair value or net investment hedges.

For each derivative instrument that is designated and effective as a cash flow hedge, the gain or loss on the derivative is recorded in AOCI and then recognized in earnings consistent with the underlying hedged item. Cash flow hedges are classified in cost of sales and interest expense, net, and are primarily related to forecasted intra-company sales denominated in foreign currencies and forecasted interest payments on anticipated issuances of debt, respectively.

For each derivative instrument that is designated and effective as a fair value hedge, the gain or loss on the derivative is recognized immediately to earnings, and offsets changes in fair value attributable to a particular risk, such as changes in interest rates, of the hedged item, which are also recognized in earnings. Changes in the fair value of hedge instruments designated as fair value hedges are classified in interest expense, net, as they hedge the interest rate risk associated with certain of our fixed-rate debt.

We have designated certain of our Euro-denominated senior notes as hedges of our net investment in our European operations and, as a result, mark to spot rate adjustments on the outstanding debt balances are recorded as a component of AOCI.

For derivative instruments that are not designated as hedges, the change in fair value is recorded directly to other (income) expense, net.

If it is determined that a derivative or nonderivative hedging instrument is no longer highly effective as a hedge, we discontinue hedge accounting prospectively. Gains or losses relating to terminations of effective cash flow hedges generally continue to be deferred and are recognized consistent with the loss or income recognition of the underlying hedged items. However, if it is probable that the hedged forecasted transactions will not occur, any gains or losses would be immediately reclassified from AOCI to earnings. If we terminate a fair value hedge, an amount equal to the cumulative fair value adjustment to the hedged item at the date of termination is amortized to earnings over the remaining term of the hedged item. If we remove a net investment hedge designation, any gain or loss recognized in AOCI are not reclassified to earnings until we sell, liquidate, or deconsolidate the foreign investments that were being hedged.

Cash flows related to the settlement of derivative instruments designated as net investment hedges of foreign operations are classified in the consolidated statements of cash flows within investing activities. Cash flows for all other derivatives, including those that are not designated as a hedge, are classified in the same line item as the cash flows of the related hedged item, which is generally within operating activities.

New Accounting Standards

Recently issued accounting standards not yet adopted

In November 2024, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) 2024-03, Income Statement - Reporting Comprehensive Income - Expense Disaggregation Disclosures (Subtopic 220-40): Disaggregation of Income Statement Expenses, which requires disaggregated disclosure of certain expenses on an interim and annual basis in the notes to the financial statements. This standard is effective for annual consolidated financial statements for the year ending December 31, 2027 and for interim periods beginning in 2028. We are currently evaluating the impact of this new standard on our consolidated financial statements.

In December 2023, the FASB issued ASU 2023-09, Income Taxes (Topic 740): Improvement to Income Tax Disclosures, which requires (1) disclosure of specific categories in the rate reconciliation and (2) additional information for reconciling items that meet a quantitative threshold. Additionally, the amendment requires disclosure of certain disaggregated information about income taxes paid, income from continuing operations before income tax expense (benefit) and income tax expense (benefit). The standard is effective for our annual consolidated financial

statements for the year ending December 31, 2025. We are currently evaluating the impact of this standard on our consolidated financial statements.

Recently adopted accounting pronouncements

As of January 1, 2024, we adopted ASU 2023-07, Segment Reporting (Topic 280): Improvements to Reportable Segment Disclosures, which requires enhanced disclosures about segment expenses on an annual and interim basis. This standard became effective for our annual consolidated financial statements for the year ended December 31, 2024 and for interim periods beginning in 2025. See Note 18 for further information on our segment disclosures.

As of January 2024, we adopted ASU 2022-03, Fair Value Measurement (Topic 820): Fair Value Measurement of Equity Securities Subject to Contractual Sales Restrictions, which (1) clarifies the guidance in Topic 820 on the fair value measurement of an equity security that is subject to contractual restrictions that prohibit the sale of an equity security and (2) requires specific disclosures related to such an equity security. The standard became effective for our annual consolidated financial statements for the year ended December 31, 2024 and for interim periods beginning in 2025. The impact of the adoption of this ASU did not have a material effect on our consolidated financial statements.

As of January 1, 2022, we adopted ASU 2021-05, Leases (Topic 842), which requires a lessor to classify a lease with variable lease payments (that do not depend on an index or rate) as an operating lease if (1) the lease would have been classified as a sales-type or direct financing lease, and (2) the lessor would have recognized a selling loss at lease commencement. These changes are intended to avoid recognizing a day-one loss for a lease with variable payments even though the lessor expects the arrangement will be profitable overall. The adoption of this ASU did not have a material impact on our consolidated financial statements.

NOTE 2
DISCONTINUED OPERATIONS

A component of an entity is reported in discontinued operations after meeting the criteria for held-for-sale classification if the disposition represents a strategic shift that has (or will have) a major effect on the entity's operations and financial results. The consolidated financial statements reflect discontinued operations for two strategic actions, as described below.

Discontinued Operations - Kidney Care

On August 12, 2024, we entered into an EPA to sell our Kidney Care business, subject to receipt of customary regulatory approvals and satisfaction of other closing conditions. That business, which is comprised of our former Kidney Care segment, provides chronic and acute dialysis therapies and services, including peritoneal dialysis, hemodialysis, continuous renal replacement therapies, and other organ support therapies. On January 31, 2025, we completed the sale of our Kidney Care business to Carlyle for an aggregate purchase price of $3.80 billion in cash, subject to certain closing cash, working capital and debt adjustments. After giving effect to certain adjustments, we received approximately $3.71 billion pre-tax cash proceeds at closing of the transaction with the net after tax proceeds currently estimated to be approximately $3.4 billion, subject to certain post-closing adjustments.

We concluded that our Kidney Care business met the criteria to be classified as held-for-sale in August 2024. We analyzed the quantitative and qualitative factors relevant to the sale of our Kidney Care business, including its significance to our overall net income (loss), earnings (loss) per share, and net assets, and determined that those conditions for discontinued operations presentation had been met. As such, the financial position, results of operations and cash flows of that business are reported as discontinued operations in the accompanying consolidated financial statements. Prior period amounts have been adjusted to reflect discontinued operations presentation. The fair value and carrying value of assets held for sale are evaluated each period and a loss on sale is recognized when the fair value less costs to sell are below the carrying value. There has been no loss on sale recognized for the period ending December 31, 2024. We will recognize a gain or loss upon disposition of the business depending on the carrying value at that date, including any tax impacts of the sale, which may be material.

Upon closing of the sale of the Kidney Care business, Baxter and Vantive entered into several agreements, including a Manufacturing and Supply Agreement (Kidney Care MSA), a long-term Master Services Agreement, a Distribution Agreement, a Transition Services Agreement (Kidney Care TSA), and an Intellectual Property Agreement. Pursuant to the Kidney Care MSA, Baxter and the Kidney Care divested entities will provide each other

with certain dialysis-related products, other products, product components and fulfillment services for a period up to 10 years post-closing (with certain extension rights as provided therein). Pursuant to the Kidney Care TSA, Baxter and the entities that will be divested in connection with the Kidney Care sale (the Kidney Care divested entities) will provide each other, on an interim basis, certain transitional services for up to 30 months post-closing (with certain extension rights as provided therein) to help ensure business continuity and help minimize disruptions to the entities' operations post-closing. Services to be provided under the Kidney Care TSA include information technology applications and support, supply chain and certain other corporate and administrative services. Pursuant to the EPA, Baxter will retain (i) the manufacture and sale of saline solutions and (ii) the plastics operations of Baxter and its subsidiaries at its Mountain Home, Arkansas facility, which is not part of the Kidney Care segment.

10-20250711085850 ank-20250

Discontinued Operations - BioPharma Solutions

On September 29, 2023, we sold our BPS business to Advent International and Warburg Pincus (collectively, the buyers). Under the terms of the related Equity Purchase agreement entered into with the buyers in May 2023, we were entitled to aggregate consideration of $4.25 billion, subject to adjustment for specified items. After giving effect to those adjustments, we received cash proceeds of $3.96 billion. We recognized a pre-tax gain on the sale of $2.88 billion ($2.59 billion net of tax), which represents the excess of (a) the $3.91 billion in net consideration received, consisting of (i) $3.96 billion in cash proceeds from the buyers, less (ii) $47 million in transaction costs, over (b) the sum of (i) the $840 million net book value of the BPS business upon the closing of the transaction and (ii) BPS's $181 million other comprehensive loss, which was reclassified to earnings.

The BPS business, which was historically reported within our former Americas segment, provided contract manufacturing and development services, which include sterile fill-finish manufacturing and support services across clinical and commercial applications, primarily serving customers in the pharmaceutical industry. BPS was historically operated through our former, wholly-owned subsidiaries Baxter Pharmaceutical Solutions LLC, a Delaware limited liability company, and Baxter Oncology GmbH, a German limited liability company (collectively, the divested entities).

We concluded that our BPS business met the criteria to be classified as held-for-sale in May 2023. A component of an entity is reported in discontinued operations after meeting the criteria for held-for-sale classification if the disposition represents a strategic shift that has (or will have) a major effect on the entity's operations and financial results. We analyzed the quantitative and qualitative factors relevant to the divestiture of our BPS business, including its significance to our overall net income (loss) and earnings (loss) per share, and determined that those conditions for discontinued operations presentation had been met. As such, the financial position, results of operations and cash flows of that business, including our gain from the sale of that business and the related cash proceeds received, are reported as discontinued operations in the accompanying consolidated financial statements. Prior period amounts have been adjusted to reflect discontinued operations presentation.

At closing of the transaction, Baxter Pharmaceutical Solutions LLC included a BPS manufacturing facility in Bloomington Indiana and Baxter Oncology GmbH included a manufacturing facility in Halle Germany. Previously, Baxter Oncology GmbH included an additional manufacturing site in Bielefeld Germany that was not part of the BPS business and was transferred to another Baxter entity prior to closing of the divestiture. Accordingly, amounts related to the Bielefeld site continue to be presented as continuing operations in the accompanying consolidated financial statements.

At closing of the transaction, Baxter entered into a Transition Services Agreement (BPS TSA) and a Master Commercial Manufacturing and Supply Agreement (BPS MSA) with the divested entities. Pursuant to the BPS TSA, Baxter and the divested entities will provide to each other, on an interim basis, specific transition services for up to 24 months post-closing to help ensure business continuity and minimize disruptions. Services provided under the BPS TSA include finance, information technology, human resources, integrated supply chain and certain other administrative services. Pursuant to the BPS MSA, the divested entities will provide development, manufacturing, regulatory and other related services for certain Baxter pharmaceutical products for up to 5 years post-closing (with certain extension rights as provided therein).

Results of Discontinued Operations and Assets and Liabilities of Discontinued Operations

The following table summarizes the major classes of line items included in income (loss) from discontinued operations, net of tax, for the years ended December 31, 2024, 2023 and 2022:

	Kidney Care			BioPharma Solutions			Total		
	Year Ended December 31,			Year Ended December 31,			Year Ended December 31,		
(in millions)	2024	2023	2022	2024	2023	2022	2024	2023	2022
Net sales	$ 4,513	$ 4,453	$ 4,449	$ —	$ 469	$ 607	$ 4,513	$ 4,922	$ 5,056
Cost of sales	2,812	3,628	2,932	—	216	276	2,812	3,844	3,208
Gross margin	1,701	825	1,517	—	253	331	1,701	1,078	1,848
Selling, general and administrative expenses	1,203	993	762	—	45	28	1,203	1,038	790
Research and development expenses	181	149	152	—	1	3	181	150	155
Goodwill impairments	430	—	—	—	—	—	430	—	—
Other operating expense (income), net	(1)	—	1	—	—	—	(1)	—	1
Operating income (loss)	(112)	(317)	602	—	207	300	(112)	(110)	902
Interest expense, net	13	3	1	—	(1)	—	13	2	1
Other (income) expense, net	10	25	3	—	1	3	10	26	6
Income (loss) from discontinued operations before gain on disposition and income taxes	(135)	(345)	598	—	207	297	(135)	(138)	895
Gain on disposition	—	—	—	—	2,882	—	—	2,882	—
Income tax expense (benefit)	177	(95)	139	—	357	64	177	262	203
Income (loss) from discontinued operations, net of tax	(312)	(250)	459	—	2,732	233	(312)	2,482	692
Less: Net income attributable to noncontrolling interest included in discontinued operations	11	7	11	—	—	—	11	7	11
Net income (loss) attributable to Baxter stockholders included in discontinued operations	$ (323)	$ (257)	$ 448	$ —	$ 2,732	$ 233	$ (323)	$ 2,475	$ 681

For the year ended December 31, 2024, SG&A expenses include $261 million of separation-related costs incurred in connection with the sale of our Kidney Care business. For the year ended December 31, 2023, SG&A expenses include $196 million and $17 million, respectively, of separation-related costs incurred in connection with the sale of our Kidney Care business and the sale of BPS, respectively.

The following table summarizes the carrying amounts of the major classes of assets and liabilities classified as discontinued operations in the *consolidated balance sheets as of December 31, 2024 and 2023:*

as of December 31 (in millions)	2024	2023
Cash and cash equivalents	$ 648	$ 116
Accounts receivable, net of allowances	942	971
Inventories	821	906
Prepaid expenses and other current assets	200	186
Current assets of discontinued operations	2,611	2,179
Property, plant and equipment, net	1,516	1,562
Goodwill	265	721
Other intangible assets, net	148	161
Operating lease right-of-use assets	204	188
Other non-current assets	367	317
Non-current assets of discontinued operations	2,500	2,949
Assets of discontinued operations	$ 5,111	$ 5,128
Current maturities of finance lease obligations	$ 1	$ 1
Accounts payable	344	360
Accrued expenses and other current liabilities	585	679
Current liabilities of discontinued operations	930	1,040
Long-term finance lease obligations, less current portion	37	41
Operating lease liabilities	173	173
Other non-current liabilities	344	337
Non-current liabilities of discontinued operations	554	551
Liabilities of discontinued operations	$ 1,484	$ 1,591

NOTE 3
ACQUISITIONS AND OTHER ARRANGEMENTS

Results of operations of acquired businesses are included in our results of operations beginning as of the respective acquisition dates. The purchase price of each acquisition is allocated to the net assets acquired based on estimates of their fair values (or other measurement attribute required under U.S. GAAP) at the date of the acquisition. Any purchase price in excess of these net assets is recorded as goodwill.

Contingent consideration related to business combinations is recognized at its estimated fair value on the acquisition date. Subsequent changes to the fair value of those contingent consideration arrangements are recognized in earnings. Contingent consideration related to business acquisitions may consist of development, regulatory and commercial milestone payments, and sales or earnings-based payments, and are valued using discounted cash flow techniques. The fair value of development, regulatory and commercial milestone payments reflects management's expectations of the probability of payment, and increases or decreases as the probability of payment or expectation of timing or amount of payments changes. The fair value of sales-based payments is based upon probability-weighted future revenue estimates and increases or decreases as revenue estimates or expectation of timing or amount of payments changes.

Hillrom

In 2021, we completed our acquisition of all outstanding equity interests of Hillrom for a purchase price of $10.48 billion. Hillrom was a global medical technology leader whose 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. Hillrom made those outcomes possible through digital and connected care solutions and collaboration tools, including smart bed systems, patient monitoring and diagnostic

technologies, respiratory health devices, advanced equipment for the surgical space and more, delivering actionable, real-time insights at the point of care.

Impairment of Goodwill from Our Hillrom Acquisition

During 2024, we recorded a $425 million goodwill impairment related to our Front Line Care reporting unit within our Healthcare Systems & Technologies segment. Refer to Note 5 for additional information regarding this goodwill impairment.

During the third quarter of 2022, we performed trigger-based impairment tests of the goodwill of each of the reporting units within our Hillrom segment (currently referred to as our Healthcare Systems & Technologies segment), as well as the indefinite-lived intangible assets, consisting primarily of trade names, that we
acquired in connection with the Hillrom acquisition. We performed those tests as of September 30, 2022 due to (a) macroeconomic conditions, including the rising interest rate environment and broad declines in equity valuations, and (b) reduced earnings forecasts for our Hillrom reporting units, driven primarily by shortages of certain component parts used in our products, raw materials inflation and increased supply chain costs. Those impairment tests resulted in total pre-tax goodwill impairment charges of $2.79 billion in the third quarter of 2022. In connection with our annual goodwill impairment assessment in the fourth quarter of 2022, we performed quantitative impairment tests for all of our reporting units and recorded an additional $27 million goodwill impairment related to our Hillrom segment. No goodwill impairments were recorded for our remaining reporting units in connection with our annual goodwill impairment tests because the fair values of those reporting units exceeded their carrying amounts

The fair values of the reporting units tested for impairment during 2022 were determined based on a discounted cash flow model (an income approach) and earnings multiples (a market approach) based on the guideline public company method. Significant assumptions used in the determination of the fair values of our reporting units generally include forecasted cash flows, discount rates, terminal growth rates and earnings multiples. The discounted cash flow models used to determine the fair values of our reporting units during 2022 reflected our most recent cash flow projections, discount rates ranging from 9% to 10% and terminal growth rates ranging from 2% to 3%. Our reporting unit fair value measurements are classified as Level 3 in the fair value hierarchy because they involve significant unobservable inputs.

Impairment of Indefinite-Lived Intangible Assets from Our Hillrom Acquisition

In addition to the goodwill impairments discussed above, we recognized pre-tax impairment charges of $332 million in the third quarter of 2022 to reduce the carrying amounts of certain indefinite-lived intangible assets, which primarily related to the Hillrom and Welch Allyn trade names acquired in the Hillrom acquisition, to their estimated fair values. Those intangible asset impairment charges are classified within cost of sales in the accompanying consolidated statements of income (loss) for the year ended December 31, 2022.

The fair values of the trade name intangible assets were determined using the relief from royalty method. Significant assumptions used in the determination of the fair value of the trade name intangible assets included revenue growth rates, terminal growth rates, discount rates and royalty rates. The relief from royalty models used in the determination of the fair values of our trade name intangible assets during 2022 reflected our most recent revenue projections, a discount rate of 9.5%, royalty rates ranging from 3% to 5% and terminal growth rates ranging from 2% to 3%. Our trade name intangible asset fair value measurements are classified as Level 3 in the fair value hierarchy because they involve significant unobservable inputs.

In the fourth quarter of 2022, we recognized an impairment charge of $12 million related to developed-technology intangible assets due to declines in market expectations for the related products. The fair values of the intangible assets were measured using a discounted cash flow approach and the charge is classified within cost of sales in the accompanying consolidated statements of income (loss) for the year ended December 31, 2022. We consider the fair values of the assets to be Level 3 measurements due to the significant estimates and assumptions, including forecasted future cash flows, that we used in establishing the estimated fair values.

Other

Total consideration transferred for other acquisitions totaled $32 million in 2022 and primarily resulted in the recognition of goodwill and other intangible assets. These acquisitions did not materially affect our results of operations.

ani=20250710-2025071108852

Other Business Development Activities

Zosyn

In March 2022, we entered into an agreement 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 is used for the treatment of intra-abdominal infections, nosocomial pneumonia, skin and skin structure infections, female pelvic infections and community-acquired pneumonia. Under the terms of the acquisition, we paid the acquisition price of $122 million and received specified intellectual property, including patent rights, in the first quarter of 2022 and received additional intellectual property, including the product rights to Zosyn, in the first quarter of 2023. Under the arrangement, we received profit sharing payments from sales of Zosyn until the product rights transferred to us in April 2023. The related profit sharing payments that were earned during 2023 and 2022 were not material.

The transaction has been accounted for as an asset acquisition, as substantially all of the fair value of the assets acquired under the arrangement was concentrated in the product rights that we received, which we classify as a developed technology intangible asset. Accordingly, the $122 million purchase price was primarily allocated to the developed technology intangible asset class and is being amortized over an estimated useful life of 9 years.

Celerity Pharmaceuticals, LLC

In September 2013, we entered into an agreement with Celerity Pharmaceuticals, LLC (Celerity) to develop certain acute care generic injectable premix and oncolytic products through regulatory approval. We transferred our rights in these products to Celerity and Celerity assumed ownership and responsibility for development of the products. We were obligated to purchase the individual product rights from Celerity if the products obtained regulatory approval. In December 2020, we entered into an agreement with a third party to divest our rights to one of the products that was being developed by Celerity, a generic version of liposomal doxorubicin, for less than $1 million if that product were to receive regulatory approval in the U.S. and European Union in 2022. Liposomal doxorubicin is a chemotherapy medicine used to treat various types of cancer and we entered into this transaction to divest our rights to this generic version of that product after we had separately entered into a transaction to acquire the branded version.

The related regulatory approvals were subsequently obtained for the generic version of liposomal doxorubicin and we recognized a loss of approximately $54 million in the third quarter of 2022, representing the difference between the amount we owed Celerity following those regulatory approvals and the proceeds that we were entitled to receive from our divestiture of those product rights. That loss is reported within *other operating expense (income), net* in our *consolidated statements of income (loss)* for the year ended December 31, 2022.

Other Asset Acquisitions

During 2021, we also entered into distribution license arrangements for multiple products that have not yet obtained regulatory approval. In addition to the cash paid at acquisition, we could make additional payments of up to $17 million upon the achievement of certain development, regulatory or commercial milestones.

Other

In addition to the arrangements described above, we have entered into several other collaborative arrangements. We could make additional payments of up to $20 million upon the achievement of certain development and regulatory milestones, in addition to future payments related to contingent commercialization milestones, profit-sharing and royalties.

NOTE 4
SUPPLEMENTAL FINANCIAL INFORMATION

Allowance for Doubtful Accounts

The following table is a summary of changes in our allowance for doubtful accounts for the years ended December 31, 2024 and 2023.

years ended December 31 (in millions)	2024	2023	2022
Balance at beginning of period	$ 62	$ 50	$ 52
Charged to costs and expenses	7	7	3
Write-offs	(8)	(4)	(3)
Currency translation adjustments	10	9	(2)
Balance at end of period	$ 71	$ 62	$ 50

Inventories

as of December 31 (in millions)	2024	2023
Raw materials	$ 510	$ 530
Work in process	266	234
Finished goods	1,270	1,154
Inventories	$ 2,046	$ 1,918

Prepaid Expenses and Other Current Assets

as of December 31 (in millions)	2024	2023
Prepaid value added taxes	$ 167	$ 118
Prepaid income taxes	199	204
Spare parts	123	141
Contract assets	51	53
Derivative assets	8	45
Other	205	145
Prepaid expenses and other current assets	$ 753	$ 706

Property, Plant and Equipment, Net

as of December 31 (in millions)	2024	2023
Land and land improvements	$ 115	$ 119
Buildings and leasehold improvements	1,301	1,238
Machinery and equipment	5,047	4,909
Equipment on lease with customers	467	760
Construction in progress	718	624
Total property, plant and equipment, at cost	7,648	7,650
Accumulated depreciation	(4,778)	(4,779)
Property, plant and equipment, net	$ 2,870	$ 2,871

Depreciation expense was $372 million in 2024, $394 million in 2023 and $393 million in 2022.

10-20250711.0853
ank-20250707

Other Non-Current Assets

as of December 31 (in millions)	2024	2023
Deferred tax assets	$ 204	$ 263
Non-current receivables, net	50	42
Contract assets	82	112
Capitalized implementation costs in hosting arrangements	102	103
Pension and other postretirement benefits	56	46
Investments	109	136
Other	152	107
Other non-current assets	$ 755	$ 809

Accrued Expenses and Other Current Liabilities

as of December 31 (in millions)	2024	2023
Common stock dividends payable	$ 87	$ 147
Employee compensation and withholdings	447	477
Property, payroll and certain other taxes	96	92
Contract liabilities	131	128
Restructuring liabilities	112	81
Accrued rebates	214	240
Operating lease liabilities	80	92
Income taxes payable	121	78
Pension and other postretirement benefits	39	37
Contingent payments related to acquisitions	—	3
Other	534	540
Accrued expenses and other current liabilities	$ 1,861	$ 1,915

Other Non-Current Liabilities

as of December 31 (in millions)	2024	2023
Pension and other postretirement benefits	$ 678	$ 714
Deferred tax liabilities	103	403
Long-term tax liabilities	94	72
Contingent payments related to acquisitions	11	11
Contract liabilities	40	41
Litigation and environmental reserves	29	19
Restructuring liabilities	10	14
Other	111	126
Other non-current liabilities	$ 1,076	$ 1,400

Interest Expense, net

years ended December 31 (in millions)	2024	2023	2022
Interest costs	$ 421	$ 523	$ 423
Interest costs capitalized	(13)	(15)	(10)
Interest expense	408	508	413
Interest income	(67)	(69)	(19)
Interest expense, net	$ 341	$ 439	$ 394

Other (Income) Expense, net

years ended December 31 (in millions)	2024	2023	2022
Foreign exchange (gains) losses, net	$ 25	$ 53	$ (3)
Change in fair value of marketable equity securities	(3)	(7)	(11)
Pension settlement and curtailment (gains) losses	—	—	(12)
Pension and other postretirement benefit (gains) losses	(39)	(48)	(30)
Reclassification of cumulative translation loss to earnings	—	—	65
Non-marketable investment impairments	—	34	—
Other, net	(21)	(6)	—
Other (income) expense, net	$ (38)	$ 26	$ 9

Following the wind down of our operations in Argentina, we determined that the net assets of the related entities were substantially liquidated during the third quarter of 2022. As a result of that determination, we reclassified their $65 million cumulative translation loss from accumulated other comprehensive income (loss) to other (income) expense, net.

Supplemental Cash Flow Information

Non-Cash Investing Activities

Purchases of property, plant and equipment included in accounts payable and accrued liabilities as of December 31, 2024, 2023 and 2022 was $64 million, $58 million and $64 million, respectively.

Other Supplemental Information

year ended December 31 (in millions)	2024	2023	2022
Interest paid, net of portion capitalized	$ 401	$ 484	$ 355
Income taxes paid	$ 223	$ 174	$ 168

NOTE 5
GOODWILL AND OTHER INTANGIBLE ASSETS, NET

Goodwill

The following is a reconciliation of goodwill by business segment.

(in millions)	Americas	EMEA	APAC	Medical Products & Therapies	Healthcare Systems & Technologies[1]	Pharmaceuticals	Total
December 31, 2022	$ 1,665	$ 78	$ 18	$ —	$ 3,988	$ —	$ 5,749
Currency translation and other	(19)	(3)	(2)	46	1	21	44
Reallocation of goodwill	(1,646)	(75)	(16)	1,195	—	542	—
December 31, 2023	$ —	$ —	$ —	$ 1,241	$ 3,989	$ 563	$ 5,793
Impairment	—	—	—	—	(425)	—	(425)
Currency translation and other	—	—	—	(56)	(14)	(23)	(93)
December 31, 2024	$ —	$ —	$ —	$ 1,185	$ 3,550	$ 540	$ 5,275

[1]Prior to the third quarter of 2023, our Healthcare Systems & Technologies segment was referred to as our Hillrom segment.

Change in Reportable Segments

Our reportable segments were previously comprised of the following geographic segments related to our legacy Baxter business: Americas (North and South America), EMEA (Europe, Middle East and Africa) and APAC (Asia Pacific), and a global segment for our Hillrom business. In the third quarter of 2023, we completed the implementation of a new operating model intended to simplify and streamline our operations and better align our

10-20250711088547
ank=20250707

manufacturing and supply chain to our commercial activities. Our segments were changed during the third quarter of 2023 to align with our new operating model. Under this operating model, our business is comprised of three reportable segments: Medical Products & Therapies, Healthcare Systems & Technologies (formerly referred to as our Hillrom segment) and Pharmaceuticals. As a result of this segment change, we reallocated the goodwill from our previous Americas, EMEA and APAC segments to the reporting units within our Medical Products & Therapies and Pharmaceuticals segments based on the relative fair values of those reporting units. We performed goodwill impairment assessments both before and after the reporting unit change and we did not identify any goodwill impairments.

Goodwill Impairment

In connection with our annual goodwill impairment assessment in the fourth quarter of 2024, we recorded a $425 million goodwill impairment related to our Front Line Care reporting unit within our Healthcare Systems & Technologies segment. The reduction in value was primarily due to lower forecasted operating results and a lower terminal growth rate utilized in valuing this reporting unit which contributed to reduced expected future cash flows, as well as lower earnings multiples. The fair value of the Front Line Care reporting unit was determined based on a discounted cash flow model (an income approach) and earnings multiples (a market approach) based on the guideline public company method. Significant assumptions used in the determination of the fair values of our reporting units generally include revenue growth rates, forecasted EBITDA margins, discount rates, terminal growth rates and earnings multiples. The discounted cash flow model used to determine the fair value of our Front Line Care reporting unit reflected our most recent cash flow projections, a discount rate of 9.5% and a terminal growth rate of 3.25%. Our reporting unit fair value measurements are classified as Level 3 in the fair value hierarchy because they involve significant unobservable inputs. As of December 31, 2024, the carrying amount of goodwill for our Front Line Care reporting unit was $1.99 billion. No goodwill impairments were recorded for our remaining reporting units in connection with our annual goodwill impairment tests because the fair values of those reporting units exceeded their carrying amounts.

Other Intangible Assets, Net

The following is a summary of our other intangible assets.

					Indefinite-lived intangible assets		
(in millions)	Customer relationships	Developed technology, including patents	Trade Names	Other amortized intangible assets	Trade Names	In process Research and Development	Total
December 31, 2023							
Gross other intangible assets	$ 3,390	$ 3,181	$ 964	$ 86	$ 680	$ 157	$ 8,458
Accumulated amortization	(654)	(1,782)	(38)	(66)	—	—	$ (2,540)
Other intangible assets, net	$ 2,736	$ 1,399	$ 926	$ 20	$ 680	$ 157	$ 5,918
December 31, 2024							
Gross other intangible assets	$ 3,387	$ 3,131	$ 958	$ 86	$ 680	$ 107	$ 8,349
Accumulated amortization	(878)	(2,075)	(107)	(66)	—	—	(3,126)
Other intangible assets, net	$ 2,509	$ 1,056	$ 851	$ 20	$ 680	$ 107	$ 5,223

Intangible asset amortization expense was $625 million in 2024, $590 million in 2023 and $679 million in 2022. The anticipated annual amortization expense for definite-lived intangible assets recorded as of December 31, 2024 is $586 million in 2025, $562 million in 2026, $412 million in 2027, $400 million in 2028 and $378 million in 2029.

During the fourth quarter of 2023, as a result of an update to our long-term branding strategy, we reclassified two trade name intangible assets with carrying amounts of $870 million and $21 million from indefinite-lived intangible assets to amortizing intangible assets. The estimated useful lives assigned to those assets were 15 years and 5 years, respectively. We performed impairment tests of those intangible assets at the time of the reclassification and determined that no impairment had occurred.

Intangible Asset Impairments

Impairment of Indefinite-Lived Intangible Assets from Our Claris Acquisition

In connection with our annual IPR&D impairment assessment in the fourth quarter of 2024, we recognized a pre-tax impairment charge of $50 million to reduce the carrying amount of an IPR&D asset to its fair value. The reduction in value was primarily due to lower forecasted revenues and margins which contributed to reduced expected future cash flows. The intangible asset impairment charge is classified within research and development expenses in the accompanying consolidated statements of income (loss) for the year ended December 31, 2024. The fair value of the IPR&D asset was determined using the multi-period excess earnings method. Significant assumptions used in the determination of the fair value of the IPR&D asset included forecasted cash flows and the discount rate. The multi-period excess earnings model used in our determination of the fair value of the IPR&D asset reflected our most recent cash flow projections and a discount rate of 11%. Our IPR&D intangible asset fair value measurement is classified as Level 3 in the fair value hierarchy because it involves significant unobservable inputs.

710-20250731-308855
amk-20250

NOTE 6
DEBT AND CREDIT FACILITIES

Debt Outstanding

At December 31, 2024 and 2023, we had the following debt outstanding:

as of December 31 (in millions)	Effective interest rate as of December 31,2024[1]	2024[1]	2023[1]
Commercial paper	4.8 %	$ 300	$ —
0.4% notes due 2024	— %	—	828
1.322% notes due 2024	— %	—	1,398
7.0% notes due 2024	— %	—	13
Floating-rate notes due 2024	— %	—	300
Term loan maturing 2024	— %	—	130
1.3% notes due 2025	1.5 %	625	662
Delayed draw term loan due 2025	5.7 %	1,826	—
2.6% notes due 2026	2.7 %	749	748
Term loan maturing 2026	6.7 %	1,643	1,643
7.65% debentures due 2027	7.7 %	5	5
1.915% notes due 2027	2.0 %	1,446	1,445
6.625% debentures due 2028	5.8 %	94	95
2.272% notes due 2028	2.4 %	1,245	1,244
1.3% notes due 2029	1.5 %	776	828
3.95% notes due 2030	4.1 %	497	496
1.73% notes due 2031	2.7 %	646	646
2.539% notes due 2032	2.6 %	1,541	1,540
6.25% notes due 2037	6.3 %	266	265
3.65% notes due 2042	5.4 %	6	6
4.5% notes due 2043	4.6 %	256	256
3.5% notes due 2046	3.7 %	441	440
3.132% notes due 2051	3.2 %	743	741
Finance leases and other	4.2 %	21	27
Total debt and finance lease obligations		13,126	13,756
Short-term debt		(2,126)	—
Current maturities of long-term debt and finance lease obligations		(626)	(2,667)
Long-term debt and finance lease obligations		$ 10,374	$ 11,089

[1] Book values include any discounts, premiums and adjustments related to hedging instruments and effective interest rates reflect amortization of those items.

Significant Debt Activity

In February 2025, we repaid $1.00 billion under our $1.64 billion five-year term loan facility maturing in 2026.

In 2024, we repaid our $13 million 7.0% notes due 2024, $809 million 0.4% notes due 2024, $1.40 billion 1.322% notes due 2024, $300 million floating rate notes due 2024 and $130 million three-year term loan facility due 2024.

In 2023, we repaid our $800 million 0.868% notes due 2023, our $300 million floating rate notes due 2023 and $1.54 billion under our $2.00 billion three-year term loan facility maturing in 2024.

The loss from our early extinguishments of debt in 2023 was not significant.

Credit Facilities

On July 17, 2024, we entered into a credit agreement pursuant to which a group of banks provided us with senior unsecured term loans in an aggregate principal amount of up to $2.05 billion ("the bridge facility"). Borrowings under the bridge facility were available in up to three drawings to fund (a) the refinancing of our 1.322% Senior Notes due November 29, 2024, our Floating Rate Notes due November 29, 2024, and certain borrowings under our existing term loan facility and (b) payment of certain U.S. tax liabilities arising from internal reorganization transactions related to the sale of our Kidney Care business. Borrowings under the bridge facility bore interest at a rate based on our long-term debt ratings in effect from time to time and the interest rate on any borrowings outstanding beyond December 31, 2024 would increase by 0.25%. We also incurred a ticking fee on undrawn commitments at a rate based on our long-term debt ratings in effect from time to time. The banks' funding commitments under the bridge facility terminated on December 31, 2024. Outstanding borrowings under the bridge facility were scheduled to mature on the earlier of 364 days from the first funding date and November 24, 2025. Additionally, we were required to use the net cash proceeds from certain transactions (including from the sale of our Kidney Care business) to repay any outstanding borrowings under the bridge facility. The bridge facility contained financial and other covenants, including a net leverage covenant, and provided for customary events of default. In November 2024, we reduced the bridge facility capacity from $2.05 billion to $1.83 billion. Additionally, during the fourth quarter of 2024 we drew on the bridge facility to repay our 1.322% Senior Notes due November 29, 2024, our Floating Rate Notes due November 29, 2024 and the outstanding balance on our three-year term loan facility. There was $1.83 billion outstanding under this bridge facility as of December 31, 2024. In January 2025, we used a portion of the approximately $3.4 billion of net after-tax cash proceeds from the sale of our Kidney Care business to repay the $1.83 billion outstanding under the bridge facility, at which time it was terminated.

In the first quarter of 2024, we amended the credit agreements governing our U.S. dollar-denominated term loan credit facility and revolving credit facility and the guaranty agreement with respect to our Euro-denominated revolving credit facility to increase the maximum net leverage ratio covenant for the six fiscal quarters ending June 30, 2024, September 30, 2024, December 31, 2024, March 31, 2025, June 30, 2025, and September 30, 2025. In accordance with the terms of the amendment, the capacity under our U.S dollar-denominated revolving credit facility was reduced from $2.50 billion to $2.00 billion on September 30, 2024. As of December 31, 2024, we were in compliance with the financial covenants in these agreements. Costs incurred in connection with the amendment were not material. In the first quarter of 2023, we previously amended the credit agreements governing our U.S. Dollar-denominated term loan credit facility and revolving credit facility and the guaranty agreement with respect to our Euro-denominated revolving credit facility, in each case to amend the net leverage ratio covenant to increase the maximum net leverage ratio for the four fiscal quarters ending March 31, 2023, June 30, 2023, September 30, 2023 and December 31, 2023.

As of December 31, 2024, we had a U.S. Dollar-denominated term loan credit facility, which had one tranche of term loans outstanding, a U.S. Dollar-denominated revolving credit facility and a Euro-denominated revolving credit facility.

Borrowings under the term loan credit facility bear interest on the principal amount outstanding at either Term SOFR plus an applicable margin plus a credit spread adjustment or a "base rate" plus an applicable margin. The term loan credit facility contains various covenants, including a maximum net leverage ratio. We have the option to prepay outstanding amounts under the term loan credit facility in whole or in part at any time.

In addition to our U.S. dollar-denominated revolving credit facility with a current capacity of $2.00 billion, our Euro-denominated revolving credit facility has a capacity of €200 million. Fees under the credit facilities are 0.125% annually as of December 31, 2024 and 2023, and are based on our credit ratings and the total capacity of the facility. There were no borrowings outstanding under these credit facilities as of December 31, 2024 or 2023. Our commercial paper borrowing arrangements require us to maintain undrawn borrowing capacity under our revolving credit facilities for an amount at least equal to our outstanding commercial paper borrowings. Each of the revolving credit facilities is scheduled to mature in 2026. The revolving credit facilities enable us to borrow funds on an unsecured basis at variable interest rates and contain various covenants, including a maximum net leverage ratio. Based on our covenant calculations as of December 31, 2024 we have capacity to draw on the full amounts under our revolving credit facilities, less commercial paper borrowings which were $300 million at year-end.

We also maintain other credit arrangements, which totaled approximately $412 million and $238 million as of December 31, 2024 and 2023, respectively. The increase over the prior year is due to additional credit arrangements entered into in preparation for the sale of our Kidney Care business. There were no amounts outstanding under these arrangements as of December 31, 2024 and 2023.

ank="20250710-20250710088E6

As of December 31, 2024, we were in compliance with the financial covenants in these agreements. The non-performance of any financial institution supporting any of the credit facilities would reduce the maximum capacity of these facilities by each institution's respective commitment.

Commercial Paper

As of December 31, 2024, we had $300 million of commercial paper outstanding with a weighted-average interest rate of 4.78% and an original term of 45 days. There was no commercial paper outstanding as of December 31, 2023. In 2025, we repaid the $300 million balance outstanding as of December 31, 2024.

Future Debt and Finance Lease Maturities

as of and for the years ended December 31 (in millions)		Debt maturities
2025	$	2,757
2026		2,398
2027		1,458
2028		1,345
2029		784
Thereafter		4,438
Total debt and finance lease maturities		13,180
Discounts, premiums, and adjustments relating to hedging instruments		(54)
Total debt and finance lease obligations	$	13,126

NOTE 7
LEASES

Lessee Activity

We have entered into operating and finance leases primarily for office, manufacturing, warehouse and R&D facilities, vehicles and equipment. Our leases have remaining terms from 1 to 38 years and some of those leases include options that provide us with the ability to extend the lease term for periods ranging from 1 to 10 years. Such options are included in the lease term when it is reasonably certain that the option will be exercised.

Certain of our leases include provisions for variable lease payments which are based on, but not limited to, maintenance, insurance, taxes, index escalations and usage-based amounts. For all asset classes, we have elected to apply a practical expedient to account for other services within lease contracts as components of the lease. We also have elected to apply a practical expedient for short-term leases whereby we do not recognize a lease liability and right-of-use asset for leases with a term of less than 12 months.

We classify our leases as operating or finance at the lease commencement date. Finance leases are generally those leases for which we will pay substantially all of the underlying asset's fair value or will use the asset for all or a major part of its economic life, including circumstances in which we will ultimately own the asset. All other leases are operating leases. For finance leases, we recognize interest expense using the effective interest method and we recognize amortization expense on the right-of-use asset over the shorter of the lease term or the useful life of the asset. For operating leases, we recognize lease cost on a straight-line basis over the term of the lease.

Lease liabilities and right-of-use assets are recognized at the lease commencement date based on the present value of minimum lease payments over the lease term. We determine the present value of payments under a lease based on our incremental borrowing rate as of the lease commencement date. The incremental borrowing rate is equal to the rate of interest that we would have to pay to borrow on a collateralized basis over a similar term in an amount equal to the lease payments in a similar economic environment.

The components of lease cost for the years ended December 31, 2024, 2023 and 2022 were:

(in millions)	2024	2023	2022
Operating lease cost	$ 89	$ 94	$ 93
Finance lease cost			
Amortization of right-of-use assets	4	3	3
Interest on lease liabilities	1	1	1
Variable lease cost	54	45	44
Lease cost	$ 148	$ 143	$ 141

The following table contains supplemental cash flow information related to leases for the years ended December 31, 2024, 2023 and 2022:

(in millions)	2024	2023	2022
Cash paid for amounts included in the measurement of lease liabilities:			
Operating cash flows from operating leases	$ 100	$ 115	$ 108
Operating cash flows from finance leases	5	3	2
Financing cash flows from finance leases	2	1	1
Right-of-use operating lease assets obtained in exchange for lease obligations	64	66	59
Right-of-use finance lease assets obtained in exchange for lease obligations	1	15	—

Supplemental balance sheet information related to leases as of December 31, 2024 and 2023 include:

(in millions)	2024	2023
Operating leases		
Operating lease right-of-use assets	$ 306	$ 336
Accrued expenses and other current liabilities	$ 80	$ 92
Operating lease liabilities	243	265
Total operating lease liabilities	$ 323	$ 357
Finance leases		
Property, plant and equipment, at cost	$ 33	$ 33
Accumulated depreciation	(15)	(13)
Property, plant and equipment, net	$ 18	$ 20
Current maturities of long-term debt and finance lease obligations	$ 2	$ 2
Long-term debt and finance lease obligations	19	25
Total finance lease liabilities	$ 21	$ 27

Lease term and discount rates as of December 31, 2024 and 2023 were:

	December 31, 2024	December 31, 2023
Weighted-average remaining lease term (years)		
Operating leases	6	6
Finance leases	8	8
Weighted-average discount rate		
Operating leases	3.1 %	3.0 %
Finance leases	4.2 %	3.9 %

Maturities of operating and finance lease liabilities as of December 31, 2024 were:

(in millions)	Finance Leases	Operating Leases
2025	$ 4	$ 93
2026	4	75
2027	4	63
2028	3	44
2029	3	24
Thereafter	10	62
Total minimum lease payments	28	361
Less: imputed interest	(7)	(38)
Present value of lease liabilities	$ 21	$ 323

Lessor Activity

We lease medical equipment, such as smart beds and infusion pumps, to customers, often in conjunction with arrangements to provide consumable medical products such as intravenous (IV) fluids and inhaled anesthetics. Certain of our equipment leases are classified as sales-type leases and the remainder are operating leases. The terms of the related contracts, including the proportion of fixed versus variable payments and any options to shorten or extend the lease term, vary by customer. We allocate revenue between equipment leases and medical products based on their standalone selling prices.

The components of lease revenue for the years ended December 31, 2024, 2023 and 2022 were:

(in millions)	2024	2023	2022
Sales-type lease revenue	$ 10	$ 7	$ 8
Operating lease revenue	380	397	401
Variable lease revenue	28	21	17
Total lease revenue	$ 418	$ 425	$ 426

The components of our net investment in sales-type leases as of December 31, 2024 and 2023 were:

(in millions)	2024	2023
Minimum lease payments	$ 38	$ 50
Unguaranteed residual values	(1)	—
Net investment in leases	$ 37	$ 50

Our net investment in sales-type leases is classified as follows in the accompanying consolidated balance sheets as of December 31, 2024 and 2023:

(in millions)	2024	2023
Accounts receivable, net	$ 15	$ 25
Other non-current assets	22	26
Total	$ 37	$ 51

Our net investment in sales-type leases was $37 million as of December 31, 2024, of which $3 million originated in 2020 and prior, $10 million in 2021, $6 million in 2022, $8 million in 2023 and $10 million in 2024.

Maturities of sales-type and operating leases as of December 31, 2024 were:

(in millions)	Sales-type Leases[1]	Operating Leases
2025	$ 20	$ 13
2026	7	9
2027	5	3
2028	4	1
2029	1	7
Thereafter	—	—
Total minimum lease payments	$ 37	$ 33

[1] Unamortized imputed interest on minimum lease payments was less than $1 million as of December 31, 2024.

NOTE 8
COMMITMENTS AND CONTINGENCIES

Refer to Note 3 for information regarding contingent payments associated with collaborative and other arrangements.

Indemnifications

During the normal course of business, we make indemnities, commitments and guarantees pursuant to which we may be required to make payments related to specific transactions. Indemnifications include: (i) intellectual property indemnities to customers in connection with the use, sales or license of products and services; (ii) indemnities to customers in connection with losses incurred while performing services on their premises; (iii) indemnities to vendors and service providers pertaining to claims based on negligence or willful misconduct; (iv) indemnities involving the representations and warranties in certain contracts; and (v) contractual indemnities for our directors and our executive and corporate officers for services provided to or at the request of us. In addition, under our Amended and Restated Certificate of Incorporation, and consistent with Delaware General Corporation Law, we have agreed to indemnify our directors and officers for certain losses and expenses upon the occurrence of certain prescribed events. The majority of these indemnities, commitments and guarantees do not provide for any limitation on the maximum potential for future payments that we could be obligated to make. To help address some of these risks, we maintain various insurance coverages. Based on historical experience and evaluation of the agreements, we do not believe that any payments related to our indemnities will have a material impact on our financial condition or results of operations.

Legal Contingencies

We are involved in product liability, patent, commercial, employment, and other legal matters that arise in the normal course of our business. We record a liability when a loss is considered probable and the amount can be reasonably estimated. If the reasonable estimate of a probable loss is a range, and no amount within the range is a better estimate than any other amount, the minimum amount in the range is accrued. If a loss is not probable or a probable loss cannot be reasonably estimated, no liability is recorded. As of December 31, 2024 and 2023, our total recorded reserves with respect to legal and environmental matters were $40 million and $25 million, respectively.

0110-20250711038-38 ank-20250

We have established reserves for certain of the matters discussed below. We are not able to estimate the amount or range of any loss for certain contingencies for which there is no reserve or additional loss for matters already reserved. While our liability in connection with these claims cannot be estimated and the resolution thereof in any reporting period could have a significant impact on our results of operations and cash flows for that period, the outcome of these legal proceedings is not expected to have a material adverse effect on our consolidated financial position. While we believe that we have valid defenses in the matters set forth below, litigation is inherently uncertain, excessive verdicts do occur, and we may incur material judgments or enter into material settlements of claims.

In addition to the matters described below, we remain subject to the risk of future administrative and legal actions. With respect to governmental and regulatory matters, these actions may lead to product recalls, injunctions, and other restrictions on our operations (including our ability to launch new products) and monetary sanctions, including significant civil or criminal penalties. With respect to intellectual property, we may be exposed to significant litigation concerning the scope of our and others' rights. Such litigation could result in a loss of patent protection or the ability to market products, which could lead to a significant loss of sales, or otherwise materially affect future results of operations.

Environmental

We are involved as a potentially responsible party (PRP) for environmental clean-up costs at six Superfund sites. Additionally, we are a defendant in a separate matter regarding a seventh Superfund site. Under the U.S. Superfund statute and many state laws, generators of hazardous waste sent to a disposal or recycling site are liable for site cleanup if contaminants from that property later leak into the environment. The laws generally provide that a PRP may be held jointly and severally liable for the costs of investigating and remediating the site. Separate from these Superfund cases noted above, we are involved in ongoing environmental remediations associated with historic operations at certain of our facilities. As of December 31, 2024 and 2023, our environmental reserves, which are measured on an undiscounted basis, were $29 million and $15 million, respectively. After considering these reserves, the outcome of these matters is not expected to have a material adverse effect on our financial position or results of operations.

General Litigation

In March 2020, two lawsuits were filed against us in the Northern District of Illinois by plaintiffs alleging injuries as a result of exposure to ethylene oxide used in our manufacturing facility in Mountain Home, Arkansas to sterilize certain of our products. The plaintiffs sought damages, including compensatory and punitive damages in an unspecified amount, and unspecified injunctive and declaratory relief. The parties reached an agreement to settle these lawsuits in the third quarter of 2021 for amounts that were not material to our financial results, which were paid in the fourth quarter of 2021. We have since resolved, without litigation, additional claims of injuries from exposure to ethylene oxide at Mountain Home for amounts within accruals previously established as of December 31, 2021. On October 20, 2022, a lawsuit was filed against us in the Western District of Arkansas alleging injury as a result of exposure to ethylene oxide at Mountain Home. On December 16, 2022, we filed a motion to dismiss and for a more definite statement. In response, Plaintiffs filed a First Amended Complaint on January 6, 2023. We answered the First Amended Complaint on January 27, 2023. The parties reached an agreement to settle this lawsuit in the third quarter of 2023 for an amount that was not material to our financial results, which was paid in the fourth quarter of 2023. The case was dismissed on October 17, 2023. Since December 2023, 41 lawsuits (after giving effect to the amendment referenced below) have been filed against us in the Circuit Court of Cook County, Illinois by plaintiffs alleging injuries as a result of exposure to ethylene oxide used by several companies, including historic use by us for sterilization at our facility in Round Lake, Illinois. The plaintiffs seek damages in an unspecified amount. On July 16, 2024, Plaintiffs' counsel filed an omnibus motion seeking leave to add certain defendants to hundreds of previously-filed lawsuits, including Baxter with respect to 40 cases. The motion was denied on July 25, 2024, without prejudice to refiling multiple motions each addressing smaller groupings of cases and defendants. On September 11, 2024, the court granted leave to amend one previously-filed complaint to add Baxter as a defendant.

We acquired Hillrom on December 13, 2021. In July 2021, Hill-Rom, Inc., a wholly-owned subsidiary of Hillrom, received a subpoena from the United States Office of Inspector General for the Department of Health and Human Services (the DHHS) requesting documents and information related to compliance with the False Claims Act and the Anti-Kickback Statute. The subpoena was related to a lawsuit brought under the qui tam provisions of the False Claims Act. The allegations included in the unsealed complaint relate to conduct prior to our acquisition of Hillrom, and the division involved is no longer operational. Hillrom voluntarily began a related internal review, and Hillrom and Baxter cooperated fully with the DHHS and the Department of Justice (DOJ) with respect to this matter. In

January 2024, the parties reached an agreement to settle the allegations. We paid the settlement amounts, which were not material to our financial results, in January 2024 and the matter was dismissed in February 2024. In October 2022, the DOJ issued a separate Civil Investigative Demand (CID) addressed to Hillrom, requesting documents and information related to compliance with the False Claims Act and the Anti-Kickback Statute. In October 2024, the DOJ issued a subpoena (the 2024 Subpoena), pursuant to 18 U.S.C. 3846, to Hillrom. The 2024 Subpoena substantially overlaps with the CID and requests additional documents relating to Hillrom's respiratory health business. Baxter is cooperating fully with the DOJ in responding to the CID and the 2024 Subpoena. The DHHS and DOJ often issue these types of requests when investigating alleged violations of the federal health care laws.

On December 28, 2021, Linet Americas, Inc. (Linet) filed a complaint against Hill-Rom Holdings, Inc., Hill-Rom Company, Inc., and Hill-Rom Services, Inc. in the United States District Court for the Northern District of Illinois, captioned Linet Americas, Inc. v. Hill-Rom Holdings, Inc.; Hill-Rom Company, Inc.; Hill-Rom Services, Inc. Linet alleges that Hillrom violated Sections 1 and 2 of The Sherman Antitrust Act of 1890, Section 3 of the Clayton Act, and the Illinois Antitrust Act by allegedly engaging in anti-competitive conduct in alleged markets for standard, ICU and birthing beds. Hillrom filed an answer to the complaint on January 28, 2022 and filed a motion challenging certain aspects of plaintiff's case on May 27, 2022, which was denied on January 17, 2024, subject to further discovery.

On June 20, 2024, Reading Hospital filed a putative class action complaint against Hill-Rom Holdings, Inc., Hill-Rom Company, Inc., and Hill-Rom Services, Inc. in the United States District Court for the Eastern District of Pennsylvania. The complaint alleges that Hillrom violated Sections 1 and 2 of The Sherman Antitrust Act and Section 3 of the Clayton Act by allegedly engaging in anti-competitive conduct in alleged markets for standard, ICU and birthing beds. The plaintiff filed the action on behalf of itself and all "direct purchasers of Standard Hospital Beds, ICU Beds, and/or Birthing Beds from Hill-Rom during a period beginning at least as early as June 20, 2020" and continuing past the date of filing. On September 30, 2024, the plaintiff filed a First Amended Complaint. On November 8, 2024, Hillrom filed a Motion to Dismiss Plaintiff's Amended Complaint. Briefing was completed in January 2025 and the motion is pending before the court.

NOTE 9
STOCKHOLDERS' EQUITY

Stock-Based Compensation

Our stock-based compensation generally includes stock options, restricted stock units (RSUs), performance share units (PSUs) and purchases under our employee stock purchase plan. Shares issued relating to our stock-based plans are generally issued out of treasury stock.

As of December 31, 2024, approximately 48 million authorized shares are available for future awards under our stock-based compensation plans.

Stock Compensation Expense

Stock compensation expense was $114 million, $115 million and $140 million in 2024, 2023 and 2022, respectively. The related tax benefit recognized was $8 million in 2024, $10 million in 2023 and $31 million in 2022. Included in the benefit in 2024 and 2023 was tax expense for stock-based compensation shortfalls of $9 million and $11 million, respectively. Included in the benefit in 2022 were realized excess tax benefits for stock-based compensation $5 million.

Approximately 70% of stock compensation expense is classified in SG&A expenses, with the remainder classified in cost of sales and R&D expenses. Costs capitalized in the consolidated balance sheets at December 31, 2024 and 2023 were not material.

Stock compensation expense is based on awards expected to vest and therefore has been reduced by estimated forfeitures.

ank="0002507110-25-000085"

Stock Options

Stock options are granted to employees and non-employee directors with exercise prices equal to 100% of the market value on the date of grant. Stock options granted to employees generally vest in one-third increments over a three-year period. Stock options granted to non-employee directors generally vest immediately on the grant date and are issued with a six-month claw-back provision. Stock options typically have a contractual term of 10 years. The grant-date fair value, adjusted for estimated forfeitures, is recognized as expense on a straight-line basis over the substantive vesting period.

The fair value of stock options is determined using the Black-Scholes model. The weighted-average assumptions used in estimating the fair value of stock options granted during each year, along with the weighted-average grant-date fair values, were as follows:

Years ended December 31	2023	2022
Expected volatility	27 %	24 %
Expected life (in years)	6.0	5.5
Risk-free interest rate	4.2 %	1.8 %
Dividend yield	3.0 %	1.3 %
Fair value per stock option	$ 9	$ 18

The following table summarizes stock option activity for the year ended December 31, 2024 and the outstanding stock options as of December 31, 2024.

(options and aggregate intrinsic values in thousands)	Options	Weighted-average exercise price	Weighted-average remaining contractual term (in years)	Aggregate intrinsic value
Outstanding as of January 1, 2024	19,467	$ 59.35		
Granted	—	$ —		
Exercised	(760)	$ 37.43		
Forfeited	(287)	$ 47.96		
Expired	(1,039)	$ 65.21		
Outstanding as of December 31, 2024	17,381	$ 60.15	3.83	$ —
Vested or expected to vest as of December 31, 2024	17,236	$ 60.31	3.80	$ —
Exercisable as of December 31, 2024	14,718	$ 62.66	3.32	$ —

The aggregate intrinsic value in the table above represents the difference between the exercise price and our closing stock price on the last trading day of the year. The total intrinsic value of options exercised in 2024, 2023 and 2022 was $1 million, $5 million and $37 million, respectively.

As of December 31, 2024, $11 million of unrecognized compensation cost related to stock options is expected to be recognized as expense over a weighted-average period of approximately 1.1 years.

RSUs

RSUs are granted to employees and non-employee directors. RSUs granted to employees generally vest in one-third increments over a three-year period. RSUs granted to non-employee directors generally vest immediately on the grant date and are issued with a six-month claw-back provision. The grant-date fair value, adjusted for estimated forfeitures, is recognized as expense on a straight-line basis over the substantive vesting period. The fair value of RSUs is determined based on the number of shares granted and the closing price of our common stock on the date of grant.

The following table summarizes nonvested RSU activity for the year ended December 31, 2024.

(share units in thousands)	Share units	Weighted-average grant-date fair value
Nonvested RSUs as of January 1, 2024	4,006	$ 49.77
Granted	5,179	$ 42.28
Vested	(1,565)	$ 53.64
Forfeited	(680)	$ 46.32
Nonvested RSUs as of December 31, 2024	6,940	$ 43.94

As of December 31, 2024, $123 million of unrecognized compensation cost related to RSUs is expected to be recognized as expense over a weighted-average period of approximately 1.8 years. The weighted-average grant-date fair value of RSUs granted in 2024, 2023 and 2022 was $42.37, $39.20 and $81.66, respectively. The fair value of RSUs vested in 2024, 2023 and 2022 was $46 million, $25 million and $69 million, respectively.

PSUs

Our annual equity awards stock compensation program for senior management includes the issuance of PSUs. PSUs awarded in 2024 (which grants were made solely to the CEO and Chief Financial Officer) were based on our stock performance relative to our peer group over the 3-year performance period. PSUs awarded in 2020 through 2023 were based on our compound annual sales growth rate (CAGR) performance, our adjusted return on invested capital (ROIC) performance and on our stock performance relative to our peer group. The vesting condition for these CAGR and ROIC PSUs was set at the beginning of the 3-year performance period. Compensation cost for the CAGR and adjusted ROIC PSUs is measured based on the fair value of the awards on the date that the specific vesting terms for each award are established and the fair value of the awards is determined based on the quoted price of our stock on the grant date of the award. The compensation cost for CAGR and adjusted ROIC PSUs is adjusted at each reporting date to reflect the estimated vesting outcome.

The fair value for PSUs based on our stock performance relative to our peer group is determined using a Monte Carlo model. The assumptions used in estimating the fair value of these PSUs granted during the period, along with the grant-date fair values, were as follows:

years ended December 31	2024	2023	2022
Baxter volatility	29 %	27 %	27 %
Peer group volatility	20%-52%	23%-54%	24%-54%
Correlation of returns	0.12-0.51	0.23-0.48	0.21-0.61
Risk-free interest rate	4.3 %	4.6 %	1.6 %
Fair value per PSU	$ 57	$ 30	$ 102

The following table summarizes nonvested PSU activity for the year ended December 31, 2024.

(share units in thousands)	Share units	Weighted-average grant-date fair value
Nonvested PSUs as of January 1, 2024	729	$ 57.03
Granted	186	$ 57.22
Vested	(73)	$ 77.35
Forfeited	(240)	$ 87.85
Nonvested PSUs as of December 31, 2024	602	$ 42.36

Unrecognized compensation cost related to all unvested PSUs of $6 million at December 31, 2024 is expected to be recognized as expense over a weighted-average period of 2.7 years.

Employee Stock Purchase Plan

Nearly all employees are eligible to participate in our employee stock purchase plan. The employee purchase price is 85% of the closing market price on the purchase date.

As of December 31, 2024, approximately 8 million shares of common stock were available for issuance to eligible participants.

During each of the years ended December 31, 2024 and 2023 we issued approximately 1.4 million shares and during the year ended December 31, 2022, we issued approximately 0.9 million shares under the employee stock purchase plan.

Cash Dividends

Total cash dividends declared per share for 2024, 2023, and 2022 were $1.04, $1.16 and $1.15, respectively.

A quarterly dividend of $0.29 per share ($1.16 on an annualized basis) was declared in February, May and July of 2024 and was paid in April, July and October of 2024, respectively. Our Board of Directors declared a quarterly dividend of $0.17 per share in November of 2024, which was paid in January of 2025.

Stock Repurchase Programs

As authorized by the Board of Directors, we repurchase our stock depending on our cash flows, net debt level and market conditions. In July 2012, the Board of Directors authorized a share repurchase program and the related authorization was subsequently increased a number of times. We did not repurchase any shares under this authority in 2024 or 2023. We repurchased 0.5 million shares under this authority pursuant to Rule 10b5-1 plans for $32 million in cash in 2022. We had $1.30 billion of repurchase authority available as of December 31, 2024.

Other

In addition to common stock, our authorized capital structure includes 100 million shares of preferred stock, no par value. As of December 31, 2024 and 2023, no shares of preferred stock were outstanding.

NOTE 10
ACCUMULATED OTHER COMPREHENSIVE INCOME (LOSS)

Comprehensive income (loss) includes all changes in stockholders' equity that do not arise from transactions with stockholders, and consists of net income (loss), CTA, certain gains and losses from pension and other postretirement employee benefit (OPEB) plans, certain gains and losses from hedging activities and unrealized gains and losses on available-for-sale debt securities.

10-20250710108860 ani=20250

The following table is a net-of-tax summary of the changes in AOCI by component for the years ended December 31, 2024, 2023, and 2022.

(in millions)	CTA	Pension and OPEB plans	Hedging activities	Available-for-sale debt securities	Total
Gains (losses)					
Balance as of December 31, 2023	$ (2,985)	$ (452)	$ (120)	$ 3	$ (3,554)
Other comprehensive income (loss) before reclassifications	(445)	(19)	10	—	(454)
Amounts reclassified from AOCI (a)	—	(4)	2	—	(2)
Net other comprehensive income (loss)	(445)	(23)	12	—	(456)
Balance as of December 31, 2024	$ (3,430)	$ (475)	$ (108)	$ 3	$ (4,010)

(in millions)	CTA	Pension and OPEB plans	Hedging activities	Available-for-sale debt securities	Total
Gains (losses)					
Balance as of December 31, 2022	$ (3,386)	$ (331)	$ (119)	$ 3	$ (3,833)
Other comprehensive income (loss) before reclassifications	216	(106)	5	—	115
Amounts reclassified from AOCI (a)	185	(15)	(6)	—	164
Net other comprehensive income (loss)	401	(121)	(1)	—	279
Balance as of December 31, 2023	$ (2,985)	$ (452)	$ (120)	$ 3	$ (3,554)

(in millions)	CTA	Pension and OPEB plans	Hedging activities	Available-for-sale debt securities	Total
Gains (losses)					
Balance as of December 31, 2021	$ (2,907)	$ (347)	$ (126)	$ —	$ (3,380)
Other comprehensive income (loss) before reclassifications	(544)	(9)	22	3	(528)
Amounts reclassified from AOCI (a)	65	25	(15)	—	75
Net other comprehensive income (loss)	(479)	16	7	3	(453)
Balance as of December 31, 2022	$ (3,386)	$ (331)	$ (119)	$ 3	$ (3,833)

(a) See table below for details about these reclassifications.

ank=20250710-20250711085851

The following table is a summary of the amounts reclassified from AOCI to net income (loss) during the years ended December 31, 2024 and 2023.

	Amounts reclassified from AOCI (a)			
(in millions)	2024	2023	2022	Location of impact in income statement
CTA				
Reclassification of cumulative translation loss to earnings	$ —	$ —	$ (65)	Other (income) expense, net
Reclassification of cumulative translation loss to earnings from BPS divestiture	—	(185)	—	Income (loss) from discontinued operations, net of tax
	—	(185)	(65)	Total before tax
Less: Tax effect	—	—	—	Income tax expense (benefit)
	$ —	$ (185)	$ (65)	Net of tax
Pension and OPEB items				
Amortization of net losses and prior service costs or credits	$ 6	$ 18	$ (30)	Other (income) expense, net
Settlement charges	—	(2)	(1)	Other (income) expense, net
Pension settlement from BPS divestiture	—	4	—	Income (loss) from discontinued operations, net of tax
	6	20	(31)	Total before tax
Less: Tax effect	(2)	(5)	6	Income tax expense (benefit)
	$ 4	$ 15	$ (25)	Net of tax
Gains (losses) on hedging activities				
Foreign exchange contracts	$ 8	$ 16	$ 26	Cost of sales
Interest rate contracts	(6)	(6)	(6)	Interest expense, net
Fair value hedges	(5)	(3)	—	Other (income) expense, net
	(3)	7	20	Total before tax
Less: Tax effect	1	(1)	(5)	Income tax expense (benefit)
	$ (2)	$ 6	$ 15	Net of tax
Total reclassifications for the period	$ 2	$ (164)	$ (75)	Total net of tax

(a) Amounts in parentheses indicate reductions to net income.

Refer to Note 4 for additional information regarding the reclassification of a cumulative translation loss to earnings, Note 13 for additional information regarding the amortization of pension and OPEB items and Note 16 for additional information regarding hedging activity.

NOTE 11
REVENUES

Contract Balances

The timing of revenue recognition, billings and cash collections results in the recognition of trade accounts receivable, unbilled receivables, contract assets, and customer advances and deposits (contract liabilities) on our consolidated balance sheets. Net trade accounts receivable was $1.54 billion as of December 31, 2024 and 2023.

For contract manufacturing arrangements, revenue is primarily recognized throughout the production cycle, which typically lasts up to 90 days, resulting in the recognition of contract assets until the related services are completed and the customers are billed. Additionally, for certain arrangements containing a performance obligation to deliver software that can be used with medical devices, we recognize revenue upon delivery of the software, which results in the recognition of contract assets when customers are billed over time, generally over one to five years. For

bundled contracts involving equipment delivered up-front and consumable medical products to be delivered over time, total contract revenue is allocated between the equipment and consumable medical products. In certain of those arrangements, a contract asset is created for the difference between the amount of equipment revenue recognized upon delivery and the amount of consideration initially receivable from the customer. In those arrangements, the contract asset becomes a trade account receivable as consumable medical products are provided and billed, generally over one to seven years.

The following table summarizes our contract assets:

as of December 31 (in millions)	2024	2023
Contract manufacturing services	$ 2	$ 4
Software sales	44	45
Bundled equipment and consumable medical products contracts	87	116
Contract assets	$ 133	$ 165

Contract liabilities represent deferred revenues that arise as a result of cash received from customers or where the timing of billing for services precedes satisfaction of our performance obligations. Such remaining performance obligations represent the portion of the contract price for which work has not been performed and are primarily related to our installation and service contracts. We expect to satisfy the majority of the remaining performance obligations and recognize revenue related to installation and service contracts within the next 12 months with most of the non-current performance obligations satisfied within 24 months.

The following table summarizes contract liability activity for the years ended December 31, 2024 and 2023. The contract liability balance represents the transaction price allocated to the remaining performance obligations.

year ended December 31 (in millions)	2024	2023
Balance at beginning of period	$ 169	$ 173
New revenue deferrals	554	478
Revenue recognized upon satisfaction of performance obligations	(555)	(484)
Currency translation	3	2
Balance at end of period	$ 171	$ 169

In 2024 and 2023, $103 million and $117 million of revenue was recognized that was included in contract liabilities as of December 31, 2023 and 2022, respectively. In 2022, $110 million of revenue was recognized that was included in contract liabilities as of December 31, 2021.

The following table summarizes the classification of contract assets and contract liabilities as reported in the consolidated balance sheet:

as of December 31 (in millions)	2024	2023
Prepaid expenses and other current assets	$ 51	$ 53
Other non-current assets	82	112
Contract assets	$ 133	$ 165
Accrued expenses and other current liabilities	$ 131	$ 128
Other non-current liabilities	40	41
Contract liabilities	$ 171	$ 169

Disaggregation of Net Sales

Refer to Note 18 for additional information on our net sales including the disaggregation of net sales within each of our segments and net sales by geographic location.

10-20250711086762
ank=202507

NOTE 12
BUSINESS OPTIMIZATION CHARGES

In recent years, we have undertaken actions to transform our cost structure and enhance operational efficiency. These efforts include restructuring the organization, optimizing the manufacturing footprint, R&D operations and supply chain network, employing disciplined cost management and centralizing and streamlining certain support functions. We currently expect to incur additional pre-tax cash costs, primarily related to the implementation of business optimization programs, of approximately $4 million through the completion of initiatives that are currently underway. We continue to pursue cost savings initiatives, including those intended to mitigate a portion of the dis-synergies expected to arise as a result of the sale of our Kidney Care business, and to the extent further cost savings opportunities are identified, we would incur additional restructuring charges and costs to implement business optimization programs in future periods. For segment reporting, business optimization charges are unallocated expenses.

We recorded the following charges related to business optimization programs in 2024, 2023 and 2022:

years ended December 31 (in millions)	2024	2023	2022
Restructuring charges	$ 146	$ 141	$ 144
Costs to implement business optimization programs[1]	16	33	49
Total business optimization charges	$ 162	$ 174	$ 193

[1] Costs to implement business optimization programs for the years ended December 31, 2024, 2023 and 2022, respectively, consisted primarily of external consulting and transition costs, including employee compensation and related costs. The costs were primarily included within cost of sales and SG&A expenses.

The costs of restructuring actions consisted primarily of employee termination costs, contract termination costs and asset impairments. During the years ended December 31, 2024, 2023 and 2022, we recorded the following restructuring charges:

	2024			
(in millions)	COGS	SG&A	R&D	Total
Employee termination costs	$ 20	$ 48	$ 30	$ 98
Contract termination and other costs	3	6	—	9
Asset impairments	39	—	—	39
Total restructuring charges	$ 62	$ 54	$ 30	$ 146

	2023			
(in millions)	COGS	SG&A	R&D	Total
Employee termination costs	$ 20	$ 91	$ 10	$ 121
Contract termination and other costs	(1)	3	—	2
Asset impairments	11	7	—	18
Total restructuring charges	$ 30	$ 101	$ 10	$ 141

	2022			
(in millions)	COGS	SG&A	R&D	Total
Employee termination costs	$ 15	$ 94	$ 3	$ 112
Contract termination and other costs	—	22	—	22
Asset impairments	—	10	—	10
Total restructuring charges	$ 15	$ 126	$ 3	$ 144

For the year ended December 31, 2024, $45 million of the restructuring charges reflected above, consisting of employee termination costs, were related to initiatives to reduce our cost structure following the sale of our Kidney Care segment. For the year ended December 31, 2024, $46 million of the restructuring charges reflected in the table above were related to business optimization initiatives within our Healthcare Systems & Technologies segment. These charges included $21 million of long-lived asset impairment charges, $9 million of other asset write-downs related to inventory and $2 million of employee termination costs related to our decision to discontinue a product line. Additionally, these charges included $14 million of employee termination costs related to other business optimization initiatives within this segment.

For the year ended December 31, 2023, $81 million of the restructuring charges reflected above, consisting of employee termination costs, were related to the implementation of our new operating model intended to streamline our operations.

For the year ended December 31, 2022, $85 million restructuring charges reflected in the table above were related to integration activities for the Hillrom acquisition, consisting of $55 million of employee termination costs, $22 million of contract terminations and other costs and $8 million of asset impairments.

The following table summarizes activity in the liability related to our restructuring initiatives.

(in millions)	
Liability balance as of December 31, 2021	$ 75
Charges	152
Payments	(118)
Reserve adjustments	(18)
Currency translation	(5)
Liability balance as of December 31, 2022	86
Charges	146
Payments	(101)
Reserve adjustments	(23)
Currency translation	(13)
Liability balance as of December 31, 2023	95
Charges	116
Payments	(80)
Reserve adjustments	(9)
Currency translation	—
Liability balance as of December 31, 2024	$ 122

Reserve adjustments primarily relate to employee termination cost reserves established in prior periods.

Substantially all of our restructuring liabilities as of December 31, 2024 relate to employee termination costs, with the remaining liabilities attributable to contract termination costs. Substantially all of the cash payments for those liabilities are expected to be disbursed by the end of 2024.

NOTE 13
PENSION AND OTHER POSTRETIREMENT BENEFIT PROGRAMS

We sponsor a number of qualified and nonqualified pension plans for eligible employees. We also sponsor certain unfunded contributory healthcare and life insurance benefits for substantially all domestic retired employees. Newly hired employees in the United States and Puerto Rico are not eligible to participate in the pension plans but receive a higher level of company contributions in our defined contribution plans.

ark=20250710-2025071088

Reconciliation of Pension and Other Postretirement Benefit Plan Obligations, Assets and Funded Status

The benefit plan information in the table below pertains to all of our pension and OPEB plans, both in the United States and in other countries.

	Pension benefits		OPEB	
As of and for the years ended December 31 (in millions)	*2024*	*2023*	*2024*	*2023*
Benefit obligations				
Beginning of period	$ 2,901	$ 2,665	$ 154	$ 160
Service cost	11	19	—	—
Interest cost	136	148	8	8
Participant contributions	3	4	—	—
Actuarial (gain) loss	(129)	169	(3)	5
Benefit payments	(133)	(133)	(15)	(19)
Settlements	(8)	(14)	—	—
Acquisitions	—	2	—	—
Plan Amendments	—	3	(2)	—
Foreign exchange and other	(33)	38	(1)	—
End of period	2,748	2,901	141	154
Fair value of plan assets				
Beginning of period	2,350	2,161	—	—
Actual return on plan assets	(4)	268	—	—
Employer contributions	46	27	15	19
Participant contributions	3	4	—	—
Benefit payments	(133)	(133)	(15)	(19)
Settlements	(8)	(14)	—	—
Foreign exchange and other	(26)	37	—	—
End of period	2,228	2,350	—	—
Funded status at December 31	$ (520)	$ (551)	$ (141)	$ (154)
Amounts recognized in the consolidated balance sheets				
Noncurrent asset	$ 56	$ 46	$ —	$ —
Current liability	(23)	(20)	(16)	(17)
Noncurrent liability	(553)	(577)	(125)	(137)
Net liability recognized at December 31	$ (520)	$ (551)	$ (141)	$ (154)

Actuarial gains and losses result from changes in actuarial assumptions (such as changes in the discount rate and revised mortality rates). Actuarial gains in 2024 and losses in 2023 related to plan benefit obligations were primarily the result of changes in discount rates.

The pension obligation information in the table above represents the projected benefit obligation (PBO). The PBO incorporates assumptions relating to future compensation levels. The accumulated benefit obligation (ABO) is the same as the PBO except that it includes no assumptions relating to future compensation levels. The ABO for all of our pension plans was $2.71 billion and $3.06 billion at the 2024 and 2023 measurement dates, respectively.

The information in the funded status table above represents the totals for all of our pension plans. The following table is information relating to the individual plans in the funded status table above that have an ABO in excess of plan assets.

as of December 31 (in millions)	2024	2023
ABO	$ 2,403	$ 2,502
Fair value of plan assets	$ 1,843	$ 1,919

The following table presents information relating to the individual plans in the funded status table above that have a PBO in excess of plan assets (many of which also have an ABO in excess of assets and are therefore also included in the table directly above).

as of December 31 (in millions)	2024	2023
PBO	$ 2,419	$ 2,561
Fair value of plan assets	$ 1,843	$ 1,961

Expected Net Pension and OPEB Plan Payments for the Next 10 Years

(in millions)	Pension benefits	OPEB
2025	$ 156	$ 17
2026	160	15
2027	172	14
2028	179	14
2029	183	13
2030 through 2034	973	55
Total expected net benefit payments for next 10 years	$ 1,823	$ 128

The expected net benefit payments above reflect the total net benefits expected to be paid from the plans' assets (for funded plans) or from our assets (for unfunded plans). The federal subsidies relating to the Medicare Prescription Drug, Improvement and Modernization Act are not expected to be significant.

Amounts Recognized in AOCI

The pension and OPEB plans' gains or losses, prior service costs or credits, and transition assets or obligations not yet recognized in net periodic benefit cost are recognized on a net-of-tax basis in AOCI and will be amortized from AOCI to net periodic benefit cost in the future. For active employees, we utilize the average future working lifetime as the amortization period for prior service. For inactive employees, we utilize the average remaining life expectancy as the amortization period for prior service.

The following table is a summary of the pre-tax losses (gains) included in AOCI at December 31, 2024 and 2023.

(in millions)	Pension benefits	OPEB
Actuarial loss (gain)	$ 642	$ (42)
Prior service credit and transition obligation	11	(10)
Total pre-tax loss (gain) recognized in AOCI at December 31, 2024	$ 653	$ (52)
Actuarial loss (gain)	$ 615	$ (50)
Prior service credit and transition obligation	11	(16)
Total pre-tax loss (gain) recognized in AOCI at December 31, 2023	$ 626	$ (66)

ami=20250710-20250710088643

Refer to Note 10 for the net-of-tax balances included in AOCI as of each of the year-end dates. The following table is a summary of the net-of-tax amounts recorded in OCI relating to pension and OPEB plans.

Year ended December 31 (in millions)	2024	2023	2022
Gain (loss) arising during the year, net of tax of $(6) in 2024, $31 in 2023 and $4 in 2022	$ (15)	$ (103)	$ (61)
Amortization of gain (loss) to earnings, net of tax of zero in 2024, $(5) in 2023 and $6 in 2022	(4)	13	21
Settlement charges, net of tax of zero in 2024, $(1) in 2023 and zero 2022	—	(2)	1
Pension and other employee benefits	$ (19)	$ (92)	$ (39)

In 2024, 2023 and 2022, OCI activity for pension and OPEB plans was primarily related to actuarial gains and losses.

Net Periodic Benefit Cost

Year ended December 31 (in millions)	2024	2023	2022
Pension benefits			
Service cost	$ 11	$ 19	$ 71
Interest cost	136	148	94
Expected return on plan assets	(179)	(187)	(156)
Amortization of net losses and other deferred amounts	15	6	41
Curtailment gain	—	—	(12)
Settlement charges	—	1	—
Other	—	1	1
Net periodic pension benefit cost	$ (17)	$ (12)	$ 39
OPEB			
Service cost	$ —	$ —	$ 1
Interest cost	8	8	4
Amortization of net losses and prior service credit	(19)	(24)	(14)
Curtailment gain	—	(1)	—
Net periodic OPEB cost	$ (11)	$ (17)	$ (9)

Weighted-Average Assumptions Used in Determining Benefit Obligations at the Measurement Date

	Pension benefits		OPEB	
	2024	2023	2024	2023
Discount rate				
U.S. and Puerto Rico plans	5.71 %	5.20 %	5.54 %	5.11 %
International plans	3.67 %	1.76 %	n/a	n/a
Rate of compensation increase				
U.S. and Puerto Rico plans	3.00 %	2.60 %	n/a	n/a
International plans	3.07 %	2.59 %	n/a	n/a
Annual rate of increase in the per-capita cost	n/a	n/a	6.75 %	6.25 %
Rate decreased to	n/a	n/a	5.00 %	5.00 %
by the year ended	n/a	n/a	2032	2029

The assumptions above, which were used in calculating the December 31, 2024 measurement date benefit obligations, will be used in the calculation of net periodic benefit cost in 2025.

Weighted-Average Assumptions Used in Determining Net Periodic Benefit Cost

	Pension benefits			OPEB		
	2024	2023	2022	2024	2023	2022
Discount rate						
U.S. and Puerto Rico plans	5.20 %	5.55 %	3.01 %	5.11 %	5.46 %	2.76 %
International plans	3.41 %	4.11 %	1.55 %	n/a	n/a	n/a
Expected return on plan assets						
U.S. and Puerto Rico plans	6.65 %	6.43 %	5.00 %	n/a	n/a	n/a
International plans	4.86 %	4.93 %	3.89 %	n/a	n/a	n/a
Rate of compensation increase						
U.S. and Puerto Rico plans	2.60 %	2.93 %	3.68 %	n/a	n/a	n/a
International plans	3.32 %	3.43 %	3.17 %	n/a	n/a	n/a
Annual rate of increase in the per-capita cost	n/a	n/a	n/a	6.75 %	6.25 %	6.50 %
Rate decreased to	n/a	n/a	n/a	5.00 %	5.00 %	5.00 %
by the year ended	n/a	n/a	n/a	2032	2029	2029

We established the expected return on plan assets assumption primarily based on a review of historical compound average asset returns, both company-specific and relating to the broad market (based on our asset allocation), as well as an analysis of current market and economic information and future expectations. We plan to use a 6.65% assumption for our U.S. and Puerto Rico plans for 2025.

Pension Plan Assets

An investment committee of members of senior management is responsible for supervising, monitoring and evaluating the invested assets of our funded pension plans. The investment committee, which meets at least quarterly, abides by documented policies and procedures relating to investment goals, targeted asset allocations, risk management practices, allowable and prohibited investment holdings, diversification, use of derivatives, the relationship between plan assets and benefit obligations, and other relevant factors and considerations.

The investment committee's policies and procedures include the following:

- Ability to pay all benefits when due;
- Targeted long-term performance expectations relative to applicable market indices, such as Russell, MSCI EAFE, and other indices;
- Targeted asset allocation percentage ranges (summarized below), and periodic reviews of these allocations;
- Diversification of assets among third-party investment managers, and by geography, industry, stage of business cycle and other measures;
- Specified investment holding and transaction prohibitions (for example, private placements or other restricted securities, securities that are not traded in a sufficiently active market, short sales, certain derivatives, commodities and margin transactions);
- Specified portfolio percentage limits on holdings in a single corporate or other entity (generally 5% at time of purchase, except for holdings in U.S. government or agency securities);
- Specified average credit quality for the fixed-income securities portfolio (at least A- by Standard & Poor's or A3 by Moody's);
- Specified portfolio percentage limits on foreign holdings; and
- Periodic monitoring of investment manager performance and adherence to the investment committee's policies.

Plan assets are invested using a total return investment approach whereby a mix of equity securities, debt securities and other investments are used to preserve asset values, diversify risk and exceed the planned benchmark

ank=20250710-20250711088565

investment return. Investment strategies and asset allocations are based on consideration of plan liabilities, the plans' funded status and other factors, such as the plans' demographics and liability durations. Investment performance is reviewed by the investment committee on a quarterly basis and asset allocations are reviewed at least annually.

Plan assets are managed in a balanced portfolio comprised of two major components: return-seeking investments and liability hedging investments. The target allocations for plan assets are 50% in return-seeking investments and 50% in liability hedging investments and other holdings. The documented policy includes an allocation range based on each individual investment type within the major components that allows for a variance from the target allocations depending on the investment type. Return-seeking investments primarily include common stock of U.S. and international companies, common/collective trust funds, mutual funds, hedge funds, and partnership investments. Liability hedging investments and other holdings primarily include cash, money market funds with an original maturity of three months or less, U.S. and foreign government and governmental agency issues, corporate bonds, municipal securities, derivative contracts and asset-backed securities.

While the investment committee provides oversight over plan assets for U.S. and international plans, the summary above is specific to the plans in the United States. The plan assets for international plans are managed and allocated by the entities in each country, with input and oversight provided by the investment committee. The plan assets for the U.S. and international plans are included in the table below.

The following tables summarize our pension plan financial instruments that are measured at fair value on a recurring basis.

			Basis of fair value measurement			
(in millions)	Balance at December 31, 2024		Quoted prices in active markets for identical assets (Level 1)	Significant other observable inputs (Level 2)	Significant unobservable inputs (Level 3)	Measured at NAV (a)
Assets						
Cash	$	52				
Fixed income securities						
Cash equivalents	$	179	$ —	$ 179	$ —	$ —
U.S. government and government agency issues		135	—	135	—	—
Corporate bonds		357	—	357	—	—
Equity securities						
Common stock		353	353	—	—	—
Mutual funds		199	199	—	—	—
Common/collective trust funds		540	—	—	—	540
Partnership investments		198	—	—	—	198
Other holdings		215	9	79	127	—
Fair value of pension plan assets	$	2,228	$ 561	$ 750	$ 127	$ 738

(a) Certain assets that are measured at fair value using the NAV per share (or its equivalent) practical expedient have not been classified in the fair value hierarchy.

(in millions)	Balance at December 31, 2023	Basis of fair value measurement: Quoted prices in active markets for identical assets (Level 1)	Significant other observable inputs (Level 2)	Significant unobservable inputs (Level 3)	Measured at NAV (a)
Assets					
Cash	$ 60				
Fixed income securities					
Cash equivalents	$ 399	$ —	$ 399	$ —	$ —
U.S. government and government agency issues	95	—	95	—	—
Corporate bonds	265	—	265	—	—
Equity securities					
Common stock	344	344	—	—	—
Mutual funds	192	192	—	—	—
Common/collective trust funds	540	—	—	—	540
Partnership investments	216	—	—	—	216
Other holdings	239	12	72	155	—
Fair value of pension plan assets	$ 2,350	$ 548	$ 831	$ 155	$ 756

(a) Certain assets that are measured at fair value using the NAV per share (or its equivalent) practical expedient have not been classified in the fair value hierarchy.

The following table is a reconciliation of changes in fair value measurements that used significant unobservable inputs (Level 3).

(in millions)	Other holdings
Balance at December 31, 2022	$ 7
Purchases[1]	148
Balance at December 31, 2023	155
Unrealized gains (losses)	(24)
Sales	(7)
Purchases	3
Balance at December 31, 2024	$ 127

[1] Purchases in 2023 included $148 million for an insurance contract buy-in related to our pension plan in the United Kingdom.

ank=20250710-20250711088866

The assets and liabilities of our pension plans are valued using the following valuation methods:

Investment category	Valuation methodology
Cash equivalents	These largely consist of a short-term investment fund, U.S. Dollars and foreign currency. The fair value of the short-term investment fund is based on the net asset value.
U.S. government and government agency issues	Values are based on reputable pricing vendors, who typically use pricing matrices or models that use observable inputs.
Corporate bonds	Values are based on reputable pricing vendors, who typically use pricing matrices or models that use observable inputs.
Common stock	Values are based on the closing prices on the valuation date in an active market on national and international stock exchanges.
Mutual funds	Values are based on the net asset value of the units held in the respective fund which are obtained from national and international exchanges or based on the net asset value of the underlying assets of the fund provided by the fund manager.
Common/collective trust funds	Values are based on the net asset value of the units held at year end.
Partnership investments	Values are based on the net asset value of the participation by us in the investment as determined by the general partner or investment manager of the respective partnership.
Other holdings	Other holdings includes assets valued by pricing vendors using pricing matrices or models that use observable inputs and an insurance contract held by our pension plan in the United Kingdom, which is measured using a discounted cash flow model. In addition to observable market inputs such as interest rates, the fair value measurement of the insurance contract also reflects unobservable inputs, such as qualitative judgments about pricing of similar contracts in the insurance market.

Expected Pension and OPEB Plan Funding

Our funding policy for our pension plans is to contribute amounts sufficient to meet legal funding requirements, plus any additional amounts that we may determine to be appropriate considering the funded status of the plans, tax deductibility, the cash flows generated by us, and other factors. Volatility in the global financial markets could have an unfavorable impact on future funding requirements. In 2025, we have no obligation to fund our principal plans in the United States, but we regularly reassess the amount and timing of any discretionary contributions. Conversely, we do expect to make contributions of at least $26 million to our Puerto Rico plan and $7 million to our foreign pension plans in 2025. Additionally, we expect to have net cash outflows relating to our OPEB plans of approximately $16 million in 2025.

The following table details the funded status percentage of our pension plans as of December 31, 2024, including certain plans that are unfunded in accordance with the guidelines of our funding policy outlined above.

	United States and Puerto Rico		International		
as of December 31, 2024 (in millions)	Qualified plans	Nonqualified plan	Funded plans	Unfunded plans	Total
Fair value of plan assets	$ 1,763	$ n/a	$ 465	$ n/a	$ 2,228
PBO	2,015	183	518	33	2,749
Funded status percentage	87 %	n/a	90 %	n/a	81 %

Pension Plan Amendments

In May 2022, we announced that the pay and service amounts used to calculate pension benefits for active non-bargaining participants in our U.S. Hillrom pension plan would freeze as of December 31, 2022. Years of additional service earned and eligible compensation received after December 31, 2022 will not be included in the determination of the benefits payable to those participants. This change resulted in an $11 million decline in the

projected benefit obligation (PBO) with an offsetting curtailment gain included within other (income) expense, net on the consolidated statements of income (loss) for the year ended December 31, 2022.

U.S. Defined Contribution Plan

Most U.S. employees are eligible to participate in a qualified defined contribution plan. We recognized expense of $119 million in 2024, $116 million in 2023 and $96 million in 2022 related to contributions to this plan.

NOTE 14
INCOME TAXES

Income (Loss) Before Income Tax Expense (Benefit) by Category

years ended December 31 (in millions)	2024	2023	2022
United States	$ (1,499)	$ (1,057)	$ (3,858)
International	1,210	1,299	610
Income (loss) from continuing operations before income taxes	$ (289)	$ 242	$ (3,248)

Income Tax Expense (Benefit)

years ended December 31 (in millions)	2024	2023	2022
Current			
United States			
Federal	$ 19	$ 1	$ 9
State and local	21	9	—
International	259	307	116
Current income tax expense (benefit)	299	317	125
Deferred			
United States			
Federal	(197)	(123)	(264)
State and local	(21)	(25)	(49)
International	(44)	(108)	53
Deferred income tax expense (benefit)	(262)	(256)	(260)
Income tax expense (benefit)	$ 37	$ 61	$ (135)

ak-20250711088867 0-20250711088867

Deferred Tax Assets and Liabilities

as of December 31 (in millions)	2024	2023
Deferred tax assets		
Accrued liabilities and other	$ 310	$ 282
Pension and other postretirement benefits	131	135
Tax credit and net operating loss carryforwards	750	723
Swiss tax reform net asset basis step-up	92	157
Operating lease liabilities	139	140
Valuation allowances	(536)	(584)
Total deferred tax assets	886	853
Deferred tax liabilities		
Subsidiaries' unremitted earnings	21	81
Long-lived assets and other	632	783
Operating lease right-of-use assets	132	131
Total deferred tax liabilities	785	995
Net deferred tax asset (liability)	$ 101	$ (142)

At December 31, 2024, we had U.S. state operating loss carryforwards totaling $58 million, U.S. federal operating loss carryforwards totaling $13 million and tax credit carryforwards totaling $282 million, which includes a U.S. foreign tax credit carryforward of $184 million. The U.S. federal and state operating loss and tax credit carryforwards expire between 2025 and 2044, with $14 million of the operating loss carryforwards having no expiration date.

At December 31, 2024, with respect to our operations outside the U.S., we had foreign operating loss carryforwards totaling $74 million and foreign tax credit carryforwards totaling $14 million. The foreign operating loss carryforwards expire between 2025 and 2041 with $50 million having no expiration date. All of the foreign tax credit carryforwards have no expiration date.

Realization of the U.S. and foreign operating loss and tax credit carryforwards depends on generating sufficient future earnings. A valuation allowance of $536 million and $584 million was recognized as of December 31, 2024 and 2023, respectively, to reduce the deferred tax assets associated with net operating loss and tax credit carryforwards because we do not believe it is more likely than not that these assets will be fully realized prior to expiration.

After evaluating relevant U.S. tax laws, any elections or other opportunities that may be available and the future expiration of certain U.S. tax provisions that will impact the utilization of our U.S. foreign tax credit carryforwards, management expects to be able to realize some, but not all, of the U.S. foreign tax credit deferred tax assets up to its recurring and non-recurring foreign inclusions. Therefore, a valuation allowance of $131 million and $130 million was recognized with respect to the foreign tax credit carryforwards as of December 31, 2024 and 2023, respectively. We will continue to evaluate the need for additional valuation allowances and, as circumstances change, the valuation allowance may change.

As a result of Swiss tax reform legislation enacted during 2019, we recognized an $863 million net asset tax basis step-up that is amortizable as a tax deduction ratably over tax years 2025 through 2029. A deferred tax asset of $92 million and $157 million for the tax basis step-up was recognized as of December 31, 2024 and 2023, respectively. We expect to realize some, but not all, of the Swiss deferred tax assets for that tax basis step-up based on expected future earnings generated by our Swiss subsidiary during the period in which the tax basis will be amortized. Therefore, a valuation allowance of $42 million and $90 million was recognized on the Swiss deferred tax assets for the tax basis step-up as of December 31, 2024 and 2023, respectively. For the year ended December 31, 2024, we recorded an adjustment to the tax rate originally applied to the Swiss net asset tax basis step-up, and as a result recorded a net tax expense of $25 million to decrease the deferred tax asset by $59 million and the related valuation allowance by $34 million as of December 31, 2024. We evaluated the impact on prior periods and determined the impact was immaterial.

The following table is a summary of changes in our deferred tax valuation allowance for the years ended December 31, 2024, 2023 and 2022.

years ended December 31 (in millions)	2024	2023	2022
Balance at beginning of period	$ 584	$ 631	$ 326
Charged to income tax expense	48	87	313
Deductions	(73)	(139)	(1)
Currency translation adjustments	(23)	5	(7)
Balance at end of period	$ 536	$ 584	$ 631

Income Tax Expense (Benefit) Reconciliation

years ended December 31 (in millions)	2024	2023	2022
Income tax expense (benefit) at U.S. statutory rate	$ (61)	$ 51	$ (682)
Tax incentives	(176)	(200)	(156)
State and local taxes, net of federal benefit	(9)	(2)	(27)
Impact of foreign taxes	137	190	78
Non-deductible goodwill impairments	86	—	591
Notional interest deduction expense (benefit)	(37)	31	(306)
Valuation allowances	(25)	(51)	312
Stock compensation (windfall) shortfall tax expense (benefit)	9	10	(4)
Research and development tax credits	(19)	(17)	(8)
Uncertain tax positions	9	6	(7)
Unutilized foreign tax credits	15	32	32
Subpart F income	18	26	11
Foreign tax credits	(5)	(7)	4
Pillar Two taxes	11	—	—
Revaluation of Swiss basis step-up deferred tax asset	58	—	—
Tax law changes on Section 987	17	—	—
Other, net	9	(8)	27
Income tax expense (benefit)	$ 37	$ 61	$ (135)

Our effective income tax rate can differ from the 21% U.S. federal statutory rate due to a number of factors, including tax incentives, foreign rate differences, state income taxes, non-deductible expenses, non-taxable income, increases or decreases in valuation allowances and liabilities for uncertain tax positions, excess tax benefits or shortfalls on stock compensation awards, audit developments and legislative changes.

In 2024, the difference between our effective income tax rate and the U.S. federal statutory rate was adversely impacted by a non-deductible impairment of goodwill and legislative changes under IRC Section 987 (which is the exchange gain or loss on foreign branch remittances in the U.S., effective in 2024), and a net revaluation of the Swiss basis step-up deferred tax asset and related valuation allowance that arose from Swiss tax reform legislation in 2019, partially offset by a favorable geographic earnings mix, a decrease in valuation allowance mainly related to U.S. foreign tax credit carryforward, and a tax benefit related to research and development tax credits.

In 2023, our effective income tax rate was impacted favorably by geographic earnings mix, a $50 million net tax benefit after related valuation allowances from notional interest deductions that are received by certain wholly-owned foreign subsidiaries that have financed their operations with equity capital and a $17 million tax benefit related to research and development tax credits, partially offset by tax shortfalls on stock compensation awards.

In 2022, our effective income tax rate was adversely impacted by non-deductible impairments of goodwill acquired in the Hillrom acquisition and valuation allowance increases, including the increase described above related to

deferred tax assets from a tax basis step-up that arose from Swiss tax reform legislation in 2019. Those items were partially offset by a $47 million net tax benefit after related valuation allowances from notional interest deductions.

We plan to repatriate our foreign earnings with the exception of approximately $607 million of accumulated earnings that are indefinitely reinvested as of December 31, 2024 related to three of our foreign operations. Additional withholding and capital gain taxes of $70 million would be incurred if such earnings were remitted currently.

Our tax provisions for 2024, 2023 and 2022 do not include any significant tax charges related to either the Base Erosion and Anti-Abuse Tax (BEAT) or Global Intangible Low Taxed Income (GILTI) provisions, except for the inability to fully utilize foreign tax credits against such GILTI. Our accounting policy is to recognize any GILTI charge as a period cost.

Unrecognized Tax Benefits

We classify interest and penalties associated with income taxes in income tax expense (benefit) within the consolidated statements of income (loss). Net interest and penalties recognized were not significant during 2024, 2023 and 2022. The liability recognized related to interest and penalties was $21 million and $17 million as of December 31, 2024 and 2023, respectively. The total amount of gross unrecognized tax benefits that, if recognized, would impact the effective tax rate are $51 million, $47 million and $31 million as of December 31, 2024, 2023 and 2022, respectively. We believe that it is reasonably possible that our gross unrecognized tax benefits will be reduced within the next 12 months by $13 million.

The following table is a reconciliation of our unrecognized tax benefits for the years ended December 31, 2024, 2023 and 2022.

as of and for the years ended (in millions)	2024	2023	2022
Balance at beginning of the year	$ 89	$ 87	$ 106
Increase associated with tax positions taken during the current year	10	9	11
Increase (decrease) associated with tax positions taken during a prior year	5	3	14
Settlements	(1)	(2)	(7)
Decrease associated with lapses in statutes of limitations	(7)	(8)	(37)
Balance at end of the year	$ 96	$ 89	$ 87

Of the gross unrecognized tax benefits, $39 million and $33 million were recognized as liabilities in the consolidated balance sheets as of December 31, 2024 and 2023, respectively.

Tax Incentives

We have received tax incentives in Puerto Rico, Switzerland, Dominican Republic, and Costa Rica. The financial impact of the reductions as compared to the statutory tax rates is indicated in the income tax expense (benefit) reconciliation table above. The tax reductions as compared to the local statutory rate favorably impacted earnings (loss) per diluted share by $0.34 in 2024, $0.39 in 2023 and $0.31 in 2022. The above grants provide that our manufacturing operations are and will be partially exempt from local taxes with varying expirations from 2024 to 2034.

Examinations of Tax Returns

As of December 31, 2024, we had ongoing audits in the United States, Germany, Italy and other jurisdictions. During 2022, we closed U.S. tax years 2017-2018 with the IRS with no material adjustments to our financial statements. Tax years 2019 and 2020 remain under examination by the IRS, including with respect to transfer pricing matters, and tax years 2012 and forward remain under examination by various foreign taxing authorities. While the final outcome of these matters is inherently uncertain, we believe we have made adequate tax provisions for all years subject to examination.

10-K 2025 Q4 Filing 0000798354-25-000013

NOTE 15
EARNINGS (LOSS) PER SHARE

The numerator for both basic and diluted earnings (loss) per share (EPS) is net income (loss) attributable to Baxter stockholders. The denominator for basic EPS is the weighted-average number of shares outstanding during the period. The dilutive effect of outstanding stock options, RSUs and PSUs is reflected in the denominator for diluted EPS using the treasury stock method.

The following table is a reconciliation of net income (loss) attributable to Baxter stockholders.

years ended December 31(in millions)	2024	2023	2022
Income (loss) from continuing operations	$ (326)	$ 181	$ (3,113)
Less: Net income attributable to noncontrolling interests included in continuing operations	—	—	1
Income (loss) from continuing operations attributable to Baxter stockholders	(326)	181	(3,114)
Income (loss) from discontinued operations	(312)	2,482	692
Less: Net income attributable to noncontrolling interests included in discontinued operations	11	7	11
Income (loss) from discontinued operations attributable to Baxter stockholders	(323)	2,475	681
Net income (loss) attributable to Baxter stockholders	$ (649)	$ 2,656	$ (2,433)

The following table is a reconciliation of basic shares to diluted shares.

years ended December 31(in millions)	2024	2023	2022
Basic shares	510	506	504
Effect of dilutive securities	—	2	—
Diluted shares	510	508	504

Basic and diluted shares are the same for the years ended December 31, 2024 and 2022 due to our loss from continuing operations attributable to Baxter stockholders. The effect of dilutive securities includes unexercised stock options, unvested RSUs and contingently issuable shares related to granted PSUs. The computation of diluted EPS excludes 25 million, 19 million, and 22 million equity awards in 2024, 2023 and 2022, respectively, because their inclusion would have had an anti-dilutive effect on diluted EPS. Refer to Note 9 for additional information regarding items impacting basic shares.

NOTE 16
DERIVATIVES AND HEDGING ACTIVITIES

Concentrations of Credit Risk

We invest excess cash in certificates of deposit or money market or other funds and diversify the concentration of cash among different financial institutions. With respect to financial instruments, where appropriate, we have diversified our selection of counterparties, and have arranged collateralization and master-netting agreements to minimize the risk of loss.

Global economic conditions and liquidity issues in certain countries have resulted, and may continue to result, in delays in the collection of receivables and credit losses. Global economic conditions, governmental actions and customer-specific factors may require us to re-evaluate the collectability of our receivables and we could potentially incur additional credit losses.

Foreign Currency and Interest Rate Risk Management

We operate on a global basis and are exposed to the risk that our earnings, cash flows and equity could be adversely impacted by fluctuations in foreign exchange and interest rates. Our hedging policy attempts to manage these risks to an acceptable level based on our judgment of the appropriate trade-off between risk, opportunity and costs.

We are primarily exposed to foreign exchange risk with respect to recognized assets and liabilities, forecasted transactions and net assets denominated in the Euro, British Pound, Australian Dollar, Canadian Dollar, Chinese Renminbi, Japanese Yen, Mexican Peso, Indian Rupee and Swedish Krona. We manage our foreign currency exposures on a consolidated basis, which allows us to net exposures and take advantage of any natural offsets. In addition, we use derivative and nonderivative instruments to further reduce the net exposure to foreign exchange risk. Gains and losses on the hedging instruments offset losses and gains on the hedged transactions and reduce the earnings and equity volatility resulting from changes in foreign exchange rates. Financial market and currency volatility may limit our ability to cost-effectively hedge these exposures.

We are also exposed to the risk that our earnings and cash flows could be adversely impacted by fluctuations in interest rates. Our policy is to manage interest costs using the mix of fixed- and floating-rate debt that we believe is appropriate at that time. To manage this mix in a cost-efficient manner, we periodically enter into interest rate swaps in which we agree to exchange, at specified intervals, the difference between fixed and floating interest amounts calculated by reference to an agreed-upon notional amount.

We do not hold any instruments for trading purposes and none of our outstanding derivative instruments contain credit-risk-related contingent features.

Cash Flow Hedges

We may use options, including collars and purchased options, forwards and cross-currency swaps to hedge the foreign exchange risk to earnings relating to forecasted transactions and recognized assets and liabilities. We periodically use treasury rate locks to hedge the risk to earnings associated with movements in interest rates relating to anticipated issuances of debt.

The notional amounts of foreign exchange contracts designated as cash flow hedges were $99 million and $340 million as of December 31, 2024 and 2023, respectively. The maximum term over which we have cash flow hedge contracts in place related to forecasted transactions at December 31, 2024 is 11 months for foreign exchange contracts. There were no outstanding interest rate contracts designated as cash flow hedges as of December 31, 2024 and 2023.

Fair Value Hedges

We periodically use interest rate swaps to convert a portion of our fixed-rate debt into variable-rate debt. These instruments hedge our earnings from changes in the fair value of debt due to fluctuations in the designated benchmark interest rate.

There were no outstanding interest rate contracts designated as fair value hedges as of December 31, 2024 and 2023.

In October 2023, we entered into a foreign currency forward contract with a notional amount of $798 million and designated that derivative as a fair value hedge of our €750 million of 0.40% senior notes due May 2024. This forward contract matured in May 2024.

Net Investment Hedges

In May 2017, we issued €600 million of 1.3% senior notes due May 2025. In May 2019, we issued €750 million of 1.3% senior notes due May 2029. We have designated these debt obligations as hedges of our net investment in our European operations and, as a result, mark to spot rate adjustments of the outstanding debt balances are recorded as a component of AOCI.

In May 2019, we issued €750 million of 0.40% senior notes due May 2024, which we repaid in full on their maturity date. We had designated these debt obligations as hedges of our investment in our European operations and, as a result, mark to spot rate adjustments of the outstanding debt balances were previously recorded as a component of AOCI. In October 2023, we dedesignated this previously designated net investment hedge and concurrently entered into a fair value hedging relationship as discussed in the "Fair Value Hedges" section above.

As of December 31, 2024, we had an accumulated pre-tax unrealized translation gain in AOCI of $124 million related to the Euro-denominated senior notes.

711-20250711088469
ant-20250

Dedesignations

If it is determined that a derivative or nonderivative hedging instrument is no longer highly effective as a hedge, we discontinue hedge accounting prospectively. Gains or losses relating to terminations of effective cash flow hedges generally continue to be deferred and are recognized consistent with the loss or income recognition of the underlying hedged items. However, if it is probable that hedged forecasted transactions will not occur, any gains or losses would be immediately reclassified from AOCI to earnings. There were no cash flow hedge dedesignations in 2024, 2023 or 2022 resulting from changes in our assessment of the probability that the hedged forecasted transactions would occur. The losses relating to these terminations continue to be deferred and are being recognized consistent with the underlying hedged item, interest expense on the issuance of debt.

If we terminate a fair value hedge, an amount equal to the cumulative fair value adjustment to the hedged item at the date of termination is amortized to earnings over the remaining term of the hedged item. There were no fair value hedges terminated in 2024, 2023 or 2022.

If we remove a net investment hedge designation, any gain or loss recognized in AOCI is not reclassified to earnings until we sell, liquidate, or deconsolidate the foreign investments that were being hedged. In October 2023, we dedesignated one of our net investment hedges as discussed in the "Net Investment Hedges" section above. There were no net investment hedges terminated in 2024 or 2022.

Undesignated Derivative Instruments

We use forward contracts to hedge earnings from the effects of foreign exchange relating to certain of our intra-company and third-party receivables and payables denominated in a foreign currency. These derivative instruments are generally not formally designated as hedges and the terms of these instruments generally do not exceed one month.

The total notional amount of undesignated derivative instruments was $389 million and $305 million as of December 31, 2024 and 2023, respectively.

Gains and Losses on Hedging Instruments and Undesignated Derivative Instruments

The following tables summarize the gains and losses on our hedging instruments and the classification of those gains and losses within our consolidated financial statements for the years ended December 31, 2024, 2023 and 2022.

	Gain (loss) recognized in OCI			Location of gain (loss) in income statement	Gain (loss) reclassified from AOCI into income		
(in millions)	2024	2023	2022		2024	2023	2022
Cash flow hedges							
Interest rate contracts	$ —	$ —	$ —	Interest expense, net	$ (6)	$ (6)	$ (6)
Foreign exchange contracts	17	15	28	Cost of sales	8	15	26
Fair value hedges							
Foreign exchange contracts	(3)	(4)	—	Other (income) expense, net	(5)	(3)	—
Net investment hedges	87	(58)	141	Other (income) expense, net	—	—	—
Total	$ 101	$ (47)	$ 169		$ (3)	$ 6	$ 20

	Location of gain (loss) in income statement	Gain (loss) recognized in income		
(in millions)		2024	2023	2022
Fair value hedges				
Foreign exchange contracts	Other (income) expense, net	$ (24)	$ 38	$ —
Undesignated derivative instruments				
Foreign exchange contracts	Other (income) expense, net	(13)	2	(16)
Total		$ (37)	$ 40	$ (16)

710-20250711088770
ank=20250

The following table summarizes net-of-tax activity in AOCI, a component of stockholders' equity, related to our cash flow hedges.

as of and for the year ended December 31 (in millions)	2024	2023	2022
Accumulated other comprehensive income (loss) balance at beginning of year	$ (120)	$ (119)	$ (126)
(Loss) gain in fair value of derivatives during the year	10	5	22
Amount reclassified to earnings during the year	2	(6)	(15)
Accumulated other comprehensive income (loss) balance at end of year	$ (108)	$ (120)	$ (119)

As of December 31, 2024, $1 million of deferred, net after-tax gains on derivative instruments included in AOCI are expected to be recognized in earnings during the next 11 months, coinciding with when the hedged items are expected to impact earnings.

Derivative Assets and Liabilities

The following table summarizes the classification and fair values of derivative instruments reported in the consolidated balance sheet as of December 31, 2024.

	Derivatives in asset positions		Derivatives in liability positions	
(in millions)	Balance sheet location	Fair value	Balance sheet location	Fair value
Derivative instruments designated as hedges				
Foreign exchange contracts	Prepaid expenses and other current assets	$ 6	Accrued expenses and other current liabilities	$ —
Undesignated derivative instruments				
Foreign exchange contracts	Prepaid expenses and other current assets	1	Accrued expenses and other current liabilities	2
Total derivative instruments		$ 7		$ 2

The following table summarizes the classification and fair values of derivative instruments reported in the consolidated balance sheet as of December 31, 2023.

	Derivatives in asset positions		Derivatives in liability positions	
(in millions)	Balance sheet location	Fair value	Balance sheet location	Fair value
Derivative instruments designated as hedges				
Foreign exchange contracts	Prepaid expenses and other current assets	$ 41	Accrued expenses and other current liabilities	$ —
Undesignated derivative instruments				
Foreign exchange contracts	Prepaid expenses and other current assets	4	Accrued expenses and other current liabilities	5
Total derivative instruments		$ 45		$ 5

While some of our derivatives are subject to master netting arrangements, we present our assets and liabilities related to derivative instruments on a gross basis within the consolidated balance sheets. Additionally, we are not required to post collateral for any of our outstanding derivatives.

The following table provides information on our derivative positions as if they were presented on a net basis, allowing for the right of offset by counterparty.

	December 31, 2024		December 31, 2023	
(in millions)	Asset	Liability	Asset	Liability
Gross amounts recognized in the consolidated balance sheets	$ 7	$ 2	$ 45	$ 5
Gross amount subject to offset in master netting arrangements not offset in the consolidated balance sheets	(1)	(1)	(4)	(4)
Total	$ 6	$ 1	$ 41	$ 1

The following table presents the amounts recorded on the consolidated balance sheets related to fair value hedges:

	Carrying amount of hedged items		Cumulative amount of fair value hedging adjustment included in the carrying amount of the hedged items (a)	
(in millions)	Balance as of December 31, 2024	Balance as of December 31, 2023	Balance as of December 31, 2024	Balance as of December 31, 2023
Long-term debt	$ 99	$ 100	$ 2	$ 3

(a) These fair value hedges were terminated in 2018 and earlier periods.

NOTE 17
FAIR VALUE MEASUREMENTS

The fair value hierarchy consists of the following three levels:

- Level 1 — Quoted prices in active markets that we have the ability to access for identical assets or liabilities;
- Level 2 — Quoted prices for similar instruments in active markets, quoted prices for identical or similar instruments in markets that are not active, and model-based valuations in which all significant inputs are observable in the market; and
- Level 3 — Valuations using significant inputs that are unobservable in the market and include the use of judgment by management about the assumptions market participants would use in pricing the asset or liability.

The following tables summarize our assets and liabilities that are measured at fair value on a recurring basis.

		Basis of fair value measurement		
(in millions)	Balance as of December 31, 2024	Quoted prices in active markets for identical assets (Level 1)	Significant other observable inputs (Level 2)	Significant unobservable inputs (Level 3)
Assets				
Foreign exchange contracts	$ 7	$ —	$ 7	$ —
Available-for-sale debt securities	1	—	—	1
Marketable equity securities	13	13	—	—
Total	$ 21	$ 13	$ 7	$ 1
Liabilities				
Foreign exchange contracts	$ 2	$ —	$ 2	$ —
Contingent payments related to acquisitions	12	—	—	12
Total	$ 14	$ —	$ 2	$ 12

0-20250711088771
ank-20250711

(in millions)	Balance as of December 31, 2023	Basis of fair value measurement: Quoted prices in active markets for identical assets (Level 1)	Significant other observable inputs (Level 2)	Significant unobservable inputs (Level 3)
Assets				
Foreign exchange contracts	$ 45	$ —	$ 45	$ —
Available-for-sale debt securities	1	—	—	1
Marketable equity securities	44	44	—	—
Total	$ 90	$ 44	$ 45	$ 1
Liabilities				
Foreign exchange contracts	$ 5	$ —	$ 5	$ —
Contingent payments related to acquisitions	14	—	—	14
Total	$ 19	$ —	$ 5	$ 14

As of December 31, 2024 and 2023, cash and cash equivalents of $1.76 billion and $3.08 billion, respectively, included money market and other short-term funds of approximately $583 million and $1.63 billion, respectively, that are considered Level 2 in the fair value hierarchy.

For assets that are measured using quoted prices in active markets, the fair value is the published market price per unit multiplied by the number of units held, without consideration of transaction costs. A majority of the derivatives entered into by us are valued using internal valuation techniques as no quoted market prices exist for such instruments. The principal techniques used to value these instruments are discounted cash flow and Black-Scholes models. The key inputs, which are considered observable and vary depending on the type of derivative, include contractual terms, interest rate yield curves, foreign exchange rates and volatility.

Available-for-sale debt securities, which consist of convertible debt and convertible redeemable preferred shares issued by nonpublic entities, are measured using discounted cash flow and option pricing models. Those available-for-sale debt securities are classified as Level 3 fair value measurements when there are no observable transactions near the balance sheet date due to the lack of observable data over certain fair value inputs such as equity volatility. The fair values of available-for-sale debt securities increase when interest rates decrease, equity volatility increases, or the fair values of the equity shares underlying the conversion options increase.

Contingent payments related to acquisitions, which consist of milestone payments and sales-based payments, are valued using discounted cash flow techniques incorporating management's expectations of future outcomes. The fair value of milestone payments increases as the estimated probability of payment increases or the expected timing of payments is accelerated. The fair value of sales-based payments is based upon probability-weighted future

revenue estimates, and increases as revenue estimates increase, probability weighting of higher revenue scenarios increases or the expected timing of payment is accelerated.

The following table is a reconciliation of recurring fair value measurements that use significant unobservable inputs (Level 3), which consist of contingent payments related to acquisitions and available-for-sale debt securities.

	2024		2023	
as of and for the years ended December 31 (in millions)	Contingent payments related to acquisitions	Available-for-sale debt securities	Contingent payments related to acquisitions	Available-for-sale debt securities
Fair value at beginning of period	$ 14	$ 1	$ 84	$ 27
Change in fair value recognized in earnings	—	—	(19)	(21)
Payments	(2)	—	(51)	—
Transfers out of Level 3	—	—	—	(5)
Fair value at end of period	$ 12	$ 1	$ 14	$ 1

During the year ended December 31, 2023, available-for-sale debt securities were reclassified from Level 3, upon conversion to marketable equity securities, which are classified as Level 1 in the fair value hierarchy, upon initial public offerings of the investees.

Financial Instruments Not Measured at Fair Value

In addition to the financial instruments that we are required to recognize at fair value in the consolidated balance sheets, we have certain financial instruments that are recognized at amortized cost or some basis other than fair value. For these financial instruments, the following table provides the values recognized in the consolidated balance sheets and the estimated fair values.

	Book values		Fair values(a)	
as of December 31 (in millions)	2024	2023	2024	2023
Liabilities				
Short-term debt	$ 2,126	$ —	$ 2,126	$ —
Current maturities of long-term debt and finance lease obligations	626	2,667	619	2,621
Long-term debt and finance lease obligations	10,374	11,089	9,295	10,026

(a) These fair value amounts are classified as Level 2 within the fair value hierarchy as they are estimated based on observable inputs.

The carrying value of short-term debt approximates its fair value due to the short-term maturities of the obligations. The estimated fair values of current and long-term debt were computed by multiplying price by the notional amount of the respective debt instruments. Price is calculated using the stated terms of the respective debt instrument and yield curves commensurate with our credit risk. The carrying values of other financial instruments not presented in the table above, such as accounts receivable and accounts payable, approximate their fair values due to the short-term maturities of most of those assets and liabilities.

The carrying values of equity investments without readily determinable fair values that we measure at cost, less impairment were $37 million and $33 million at December 31, 2024 and 2023, respectively. When applicable, we also adjust the measurement of such equity investments for observable prices in orderly transactions for an identical or similar investment of the same issuer. These investments are included in Other non-current assets on our consolidated balance sheets.

ank=20250210:0000812087-25-000017

NOTE 18
SEGMENT AND GEOGRAPHIC INFORMATION

Our business is comprised of three reportable segments: Medical Products & Therapies, Healthcare Systems & Technologies, and Pharmaceuticals. The Medical Products & Therapies segment includes sales of our sterile IV solutions, infusion systems, administration sets, parenteral nutrition therapies and surgical hemostat, sealant and adhesion prevention products. The Healthcare Systems & Technologies segment includes sales of our 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 operating room integration technologies, precision positioning devices, and other accessories. The Pharmaceuticals segment includes sales of specialty injectable pharmaceuticals, inhaled anesthetics and drug compounding services. Other sales not allocated to a segment primarily include sales of products and services provided directly through certain of our manufacturing facilities and royalty income under a business development arrangement that ended in early 2023 when we acquired the related product rights.

Disaggregation of Net Sales

The following tables present our U.S. and International disaggregated net sales.

For the years ended December 31	2024			2023			2022		
(in millions)	U.S.	International	Total	U.S.	International	Total	U.S.	International	Total
Infusion Therapies & Technologies	$ 2,279	$ 1,824	$ 4,103	$ 2,227	$ 1,733	$ 3,960	$ 2,241	$ 1,576	$ 3,817
Advanced Surgery	603	501	1,104	582	469	1,051	574	424	998
Medical Products & Therapies	2,882	2,325	5,207	2,809	2,202	5,011	2,815	2,000	4,815
Care and Connectivity Solutions	1,311	503	1,814	1,263	537	1,800	1,295	496	1,791
Front Line Care	843	294	1,137	905	308	1,213	840	308	1,148
Healthcare Systems & Technologies	2,154	797	2,951	2,168	845	3,013	2,135	804	2,939
Injectables and Anesthesia	780	593	1,373	759	588	1,347	682	623	1,305
Drug Compounding	—	1,038	1,038	—	902	902	—	821	821
Pharmaceuticals	780	1,631	2,411	759	1,490	2,249	682	1,444	2,126
Other[1]	34	33	67	66	21	87	137	40	177
Total Baxter	$ 5,850	$ 4,786	$ 10,636	$ 5,802	$ 4,558	$ 10,360	$ 5,769	$ 4,288	$ 10,057

[1] In connection with the reclassification of our BPS business to discontinued operations during the second quarter of 2023, we reclassified $2 million of contract manufacturing revenues from the first quarter of 2023 and $37 million of sales for the year ended December 31, 2022 from BPS to Other (within continuing operations), as the related manufacturing facility was not part of that divestiture transaction.

Geographic Information

Our net sales are attributed to the following geographic regions based on the location of the customer.

for the years ended December 31 (in millions)	2024	2023	2022
Net sales:			
United States	$ 5,850	$ 5,802	$ 5,769
Emerging markets[1]	1,350	1,343	1,253
Rest of world [2]	3,436	3,215	3,035
Total net sales	$ 10,636	$ 10,360	$ 10,057

[1] Emerging markets include sales from our operations in Eastern Europe, the Middle East, Africa, Latin America and Asia (except for Japan).

[2] Rest of world includes sales from our operations in Western Europe, Canada, Japan, Australia and New Zealand.

Our property, plant and equipment and operating lease right-of-use assets, net are attributed to the following geographic regions.

as of December 31 (in millions)	2024	2023
Property, plant and equipment and operating lease right-of-use assets, net:		
United States	$ 1,654	$ 1,615
Emerging markets	793	829
Rest of world	729	763
Total property, plant and equipment and operating lease right-of-use assets, net	$ 3,176	$ 3,207

Segment Information

Our chief operating decision maker who has been identified as our Chair, President and Chief Executive Officer, reviews the financial information presented for purposes of evaluating the performance of our segments and to make resource allocation decisions.

Segment operating income is the measure of segment profitability and represents income before income taxes, interest and other non-operating income or expense, unallocated corporate costs, intangible asset amortization and other special items. Special items, which are presented below in our reconciliations of segment operating income to income (loss) from continuing operations before income taxes, are excluded from segment operating income because they are highly variable, difficult to predict and of a size that may substantially impact our reported results of operations for the period.

Corporate costs, inclusive of global functional support costs, overhead costs and other shared costs that benefit our segments are allocated to those segments. Corporate costs that are not allocated to our segments, as well as any differences between actual corporate costs and the amounts allocated to our segments, are presented as unallocated corporate costs. With the results of our former Kidney Care segment reported in discontinued operations, corporate costs that had previously been allocated to the Kidney Care segment which did not convey with the Kidney Care segment in the completed sale are now presented as unallocated corporate costs.

Segment results include net sales, cost of sales, selling general and administrative expenses, research and development expenses, and other segment items which are directly allocated to each segment. Beginning in 2024

annual reporting, we adopted ASU 2023-07 retrospectively. The following tables present our segment information of net sales, significant expenses and operating income during the periods presented.

	For the year ended December 31, 2024		
(in millions)	Medical Products & Therapies	Healthcare Systems & Technologies	Pharmaceuticals
Net sales	$ 5,207	$ 2,951	$ 2,411
Cost of sales	2,867	1,464	1,612
Selling, general and administrative expenses	1,176	836	396
Research and development expenses	216	184	91
Other segment items	(2)	(1)	(1)
Segment operating income	$ 950	$ 468	$ 313

	For the year ended December 31, 2023		
(in millions)	Medical Products & Therapies	Healthcare Systems & Technologies	Pharmaceuticals
Net sales	$ 5,011	$ 3,013	$ 2,249
Cost of sales	2,720	1,532	1,400
Selling, general and administrative expenses	1,097	822	363
Research and development expenses	222	176	86
Other segment items	—	—	(1)
Segment operating income	$ 972	$ 483	$ 401

	For the year ended December 31, 2022		
(in millions)	Medical Products & Therapies	Healthcare Systems & Technologies	Pharmaceuticals
Net sales	$ 4,815	$ 2,939	$ 2,126
Cost of sales	2,584	1,463	1,293
Selling, general and administrative expenses	1,069	827	361
Research and development expenses	202	155	81
Other segment items	(2)	—	—
Segment operating income	$ 962	$ 494	$ 391

The following table presents our reportable segment operating income and reconciliations of reportable segment operating income to income (loss) from continuing operations before income taxes.

for the years ended December 31 (in millions)	2024	2023	2022
Medical Products & Therapies	$ 950	$ 972	$ 962
Healthcare Systems & Technologies	468	483	494
Pharmaceuticals	313	401	391
Total reportable segment operating income	1,731	1,856	1,847
Other	18	18	77
Unallocated corporate costs	(275)	(355)	(367)
Intangible asset amortization expense	(625)	(590)	(679)
Business optimization items	(162)	(174)	(193)
European Medical Devices Regulation	(33)	(41)	(42)
Long-lived asset impairments	(50)	—	(344)
Legal matters	(17)	(7)	—
Acquisition and integration items	(23)	—	(213)
Product-related items	(15)	—	(44)
Hurricane Helene Costs	(110)	—	—
Loss on product divestiture arrangement	—	—	(54)
Goodwill impairments	(425)	—	(2,812)
Loss on subsidiary liquidation	—	—	(21)
Total operating income (loss)	14	707	(2,845)
Interest expense, net	341	439	394
Other (income) expense, net	(38)	26	9
Income (loss) from continuing operations before income taxes	$ (289)	$ 242	$ (3,248)

Additional financial information for our segments is as follows:

for the years ended December 31 (in millions)	2024	2023	2022
Depreciation Expense[1]:			
Medical Products & Therapies	$ 201	$ 232	$ 217
Healthcare Systems & Technologies	109	108	117
Pharmaceuticals	62	54	59
Total depreciation expense	$ 372	$ 394	$ 393

[1] Depreciation expense related to Corporate property, plant and equipment has been fully allocated to our segments and those allocations are reflected in the depreciation amounts presented herein.

Our chief operating decision maker does not receive asset or capital expenditure information by segment and, accordingly, we do not report that information for our segments.

NOTE 19
QUARTERLY FINANCIAL DATA (UNAUDITED)

The following table represents data from our unaudited consolidated statements of income (loss) for the most recent eight quarters. This quarterly information has been prepared on the same basis as the consolidated financial statements and includes all normal recurring adjustments necessary to fairly state the information for the periods

710-20250711088774
ank=20250

presented. The results of operations of any quarter are not necessarily indicative of the results that may be expected for any future period.

	2024				
(in millions, except per share data)	First Quarter	Second Quarter[2]	Third Quarter	Fourth Quarter[3]	Full Year [1]
Net sales	$ 2,490	$ 2,694	$ 2,699	$ 2,753	$ 10,636
Gross margin	961	1,031	1,033	959	3,984
Income (loss) from continuing operations	6	95	61	(488)	(326)
Income (loss) from discontinued operations	33	(406)	83	(22)	(312)
Net income (loss)	39	(311)	144	(510)	(638)
Net income (loss) attributable to Baxter stockholders	37	(314)	140	(512)	(649)
Income (loss) from continuing operations per common share					
Basic	$ 0.01	$ 0.19	$ 0.12	$ (0.95)	$ (0.64)
Diluted	$ 0.01	$ 0.19	$ 0.12	$ (0.95)	$ (0.64)
Income (loss) from discontinued operations per common share					
Basic	$ 0.06	$ (0.81)	$ 0.15	$ (0.05)	$ (0.63)
Diluted	$ 0.06	$ (0.81)	$ 0.15	$ (0.05)	$ (0.63)
Net Income (loss) per common share					
Basic	$ 0.07	$ (0.62)	$ 0.27	$ (1.00)	$ (1.27)
Diluted	$ 0.07	$ (0.62)	$ 0.27	$ (1.00)	$ (1.27)

	2023				
(in millions, except per share data)	First Quarter	Second Quarter[4]	Third Quarter[5]	Fourth Quarter	Full Year [1]
Net sales	$ 2,441	$ 2,591	$ 2,599	$ 2,729	$ 10,360
Gross margin	964	1,030	1,056	1,100	4,150
Income (loss) from continuing operations	(48)	(27)	37	219	181
Income from discontinued operations	93	(112)	2,474	27	2,482
Net income (loss)	45	(139)	2,511	246	2,663
Net income (loss) attributable to Baxter stockholders	44	(141)	2,508	245	2,656
Income (loss) from continuing operations per common share					
Basic	$ (0.10)	$ (0.05)	$ 0.07	$ 0.43	$ 0.36
Diluted	$ (0.10)	$ (0.05)	$ 0.07	$ 0.43	$ 0.36
Income from discontinued operations per common share					
Basic	$ 0.19	$ (0.23)	$ 4.88	$ 0.05	$ 4.89
Diluted	$ 0.19	$ (0.23)	$ 4.86	$ 0.05	$ 4.87
Net Income (loss) per common share					
Basic	$ 0.09	$ (0.28)	$ 4.95	$ 0.48	$ 5.25
Diluted	$ 0.09	$ (0.28)	$ 4.93	$ 0.48	$ 5.23

1 The sum of per share amounts for quarterly periods may not equal full year amounts due to rounding.

2 Our results from discontinued operations for the quarter ended June 30, 2024 included a $430 million charge related to a goodwill impairment of our Chronic Therapies reporting unit within our Kidney Care segment.

3 Our results from continuing operations for the fourth quarter ended December 31, 2024 included a $425 million charge related to a goodwill impairment of our Front Line Care reporting unit within our Healthcare Systems & Technologies segment.

4 Our results from discontinued operations for the quarter ended June 30, 2023 included $243 million of long-lived asset impairment charges resulting from our decision to cease production at one of our dialyzer manufacturing facilities.

5 Our results from discontinued operations for the quarter ended September 30, 2023 included a gain of $2.88 billion from the sale of our BPS business, partially offset by $267 million of long-lived asset impairment charges related to our the hemodialysis business of our former Kidney Care segment.

0710-2025071108875
ark=2025

Report of Independent Registered Public Accounting Firm

To the Board of Directors and Stockholders of Baxter International Inc.

Opinions on the Financial Statements and Internal Control over Financial Reporting

We have audited the accompanying consolidated balance sheets of Baxter International Inc. and its subsidiaries (the "Company") as of December 31, 2024 and 2023, and the related consolidated statements of income (loss), of comprehensive income (loss), of changes in equity and of cash flows for each of the three years in the period ended December 31, 2024, including the related notes (collectively referred to as the "consolidated financial statements"). We also have audited the Company's internal control over financial reporting as of December 31, 2024, based on criteria established in *Internal Control - Integrated Framework* (2013) issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO).

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of the Company as of December 31, 2024 and 2023, and the results of its operations and its cash flows for each of the three years in the period ended December 31, 2024 in conformity with accounting principles generally accepted in the United States of America. Also in our opinion, the Company maintained, in all material respects, effective internal control over financial reporting as of December 31, 2024, based on criteria established in *Internal Control - Integrated Framework* (2013) issued by the COSO.

Basis for Opinions

The Company's management is responsible for these consolidated financial statements, for maintaining effective internal control over financial reporting, and for its assessment of the effectiveness of internal control over financial reporting, included in Management's Assessment of Internal Control Over Financial Reporting appearing under Item 9A. Our responsibility is to express opinions on the Company's consolidated financial statements and on the Company's internal control over financial reporting based on our audits. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) (PCAOB) and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement, whether due to error or fraud, and whether effective internal control over financial reporting was maintained in all material respects.

Our audits of the consolidated financial statements included performing procedures to assess the risks of material misstatement of the consolidated financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the consolidated financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements. Our audit of internal control over financial reporting included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. Our audits also included performing such other procedures as we considered necessary in the circumstances. We believe that our audits provide a reasonable basis for our opinions.

Definition and Limitations of Internal Control over Financial Reporting

A company's internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal control over financial reporting includes those policies and procedures that (i) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (ii) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance

with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (iii) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Critical Audit Matters

The critical audit matter communicated below is a matter arising from the current period audit of the consolidated financial statements that was communicated or required to be communicated to the audit committee and that (i) relates to accounts or disclosures that are material to the consolidated financial statements and (ii) involved our especially challenging, subjective, or complex judgments. The communication of critical audit matters does not alter in any way our opinion on the consolidated financial statements, taken as a whole, and we are not, by communicating the critical audit matter below, providing a separate opinion on the critical audit matter or on the accounts or disclosures to which it relates.

Goodwill Impairment Assessment – Front Line Care Reporting Unit
As described in Notes 1 and 5 to the consolidated financial statements, the Company's consolidated goodwill balance as of December 31, 2024 was $5.3 billion, and the goodwill associated with the Front Line Care reporting unit was $1.99 billion. Management performs an impairment test in the fourth quarter of each year, or whenever events or changes in circumstances indicate that the fair value of the reporting unit is more likely than not below its carrying amount. If management determines that it is more-likely-than-not that the fair value of a reporting unit is less than its carrying amount, or they do not elect the option to perform an initial qualitative assessment, they perform a quantitative goodwill impairment test. In the quantitative impairment test, management calculates the estimated fair value of the reporting unit, and if the carrying amount of the reporting unit exceeds the estimated fair value, an impairment charge is recorded. The fair values of the Company's reporting units are generally determined based on a discounted cash flow model (an income approach) and earnings multiples (a market approach) based on the guideline public company method. Significant assumptions in reporting unit fair value measurements generally include revenue growth rates, forecasted earnings before interest, taxes, depreciation, and amortization (EBITDA) margins, discount rates, terminal growth rates and earnings multiples. In connection with the annual goodwill impairment assessment, management recorded a $425 million goodwill impairment related to the Front Line Care reporting unit.

The principal considerations for our determination that performing procedures relating to the goodwill impairment assessment of the Front Line Care reporting unit is a critical audit matter are (i) the significant judgment by management when developing the fair value estimate of the reporting unit; (ii) a high degree of auditor judgment, subjectivity, and effort in performing procedures and evaluating management's significant assumptions related to the revenue growth rate, forecasted EBITDA margin, discount rate, and terminal growth rate used in the discounted cash flow model and earnings multiples used in the earnings multiples approach; and (iii) the audit effort involved the use of professionals with specialized skill and knowledge.

Addressing the matter involved performing procedures and evaluating audit evidence in connection with forming our overall opinion on the consolidated financial statements. These procedures included testing the effectiveness of controls relating to management's goodwill impairment assessments, including controls over the valuation of the Front Line Care reporting unit. These procedures also included, among others, (i) testing management's process for developing the fair value estimate of the Front Line Care reporting unit; (ii) evaluating the appropriateness of the discounted cash flow model and the earnings multiples approach used by management; (iii) testing the completeness and accuracy of underlying data used in the discounted cash flow model and the earnings multiples approach; (iv) and evaluating the reasonableness of the significant assumptions used by management related to the revenue growth rate, forecasted EBITDA margin, discount rate, terminal growth rate and earnings multiples. Evaluating management's significant assumptions related to the revenue growth rate and forecasted EBITDA margin involved evaluating whether the assumptions used by management were reasonable considering (i) the current and past performance of the Front Line Care reporting unit; (ii) the consistency with external market and industry data; and (iii) whether the assumption was consistent with evidence obtained in other areas of the audit. Professionals with specialized skill and knowledge were used to assist in evaluating (i) the appropriateness of the

discounted cash flow model and the earnings multiples approach and (ii) the reasonableness of the discount rate, terminal growth rate and earnings multiples assumptions.

/s/ PricewaterhouseCoopers LLP
Chicago, Illinois
February 21, 2025

We have served as the Company's auditor since 1985.

ank=20250710,20250711108876

Item 9. ***Changes in and Disagreements with Accountants on Accounting and Financial Disclosure.***

None.

Item 9A. ***Controls and Procedures.***

Evaluation of Disclosure Controls and Procedures

We have established disclosure controls and procedures that are designed to ensure that information required to be disclosed by us in the reports that we file or submit under the Securities Exchange Act of 1934 (the Exchange Act) is recorded, processed, summarized and reported within the time periods specified in the rules and forms of the SEC, and that such information is communicated to our management, including our Interim Chief Executive Officer and Chief Financial Officer, to allow timely decisions regarding required disclosure. Our management, with the participation of our Interim Chief Executive Officer and Chief Financial Officer, has evaluated the effectiveness of our disclosure controls and procedures (as defined in Rules 13a-15(e) and 15d-15(e) under the Exchange Act) as of December 31, 2024. Based on that evaluation, our Interim Chief Executive Officer and Chief Financial Officer concluded that our disclosure controls and procedures were effective as of December 31, 2024.

Management's Assessment of Internal Control Over Financial Reporting

Our management is responsible for establishing and maintaining adequate internal control over financial reporting, as defined in Rule 13a-15(f) of the Exchange Act. Our internal control over financial reporting is designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP).

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with policies or procedures may deteriorate.

Management performed an assessment of the effectiveness of our internal control over financial reporting as of December 31, 2024. In making this assessment, management used the framework in *Internal Control-Integrated Framework (2013)* issued by the Committee of Sponsoring Organizations of the Treadway Commission. Based on that assessment under the framework in *Internal Control-Integrated Framework (2013)*, management concluded that our internal control over financial reporting was effective as of December 31, 2024.

The effectiveness of our internal control over financial reporting as of December 31, 2024 has been audited by PricewaterhouseCoopers LLP, an independent registered public accounting firm, as stated in their report which appears herein.

Changes in Internal Control Over Financial Reporting

There have been no changes in our internal control over financial reporting (as such term is defined in Rules 13a-15(f) and 15d-15(f) under the Exchange Act) during the quarter ended December 31, 2024 that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

Item 9B. ***Other Information.***

Certain of our officers and directors have made elections to participate in, and are participating in, our employee stock purchase plan or have made, and may from time to time make, elections to have shares withheld to cover withholding taxes or pay the exercise price of options, which may constitute non-Rule 10b5-1 trading arrangements (as defined in Item 408(c) of Regulation S-K).

Item 9C. ***Disclosure Regarding Foreign Jurisdictions that Prevent Inspections.***

Not Applicable.

10-20250711088277
ank=20250711088277

PART III

Item 10. ***Directors, Executive Officers and Corporate Governance.***

Refer to information under the captions entitled "Corporate Governance at Baxter International Inc. — Proposal 1 — Election of Directors," "— Board of Directors — Nomination of Directors," "— Committees of the Board — Audit Committee," "— Board Responsibilities — Code of Conduct," "Ownership of Baxter Stock — Delinquent Section 16(a) Reports" and "Compensation Discussion and Analysis — Additional Compensation Governance — Prohibitions on Trading; No-Hedging" in Baxter's definitive proxy statement to be filed with the Securities and Exchange Commission and delivered to stockholders in connection with the Annual Meeting of Stockholders expected to be held on May 6, 2025 (the Proxy Statement), all of which information is incorporated herein by reference. Also refer to information regarding executive officers of Baxter under the caption entitled "Information about our Executive Officers" in Part I of this Annual Report on Form 10-K.

Item 11. ***Executive Compensation.***

Refer to information under the captions entitled "Executive Compensation," "—Compensation and Human Capital Committee Report," "Corporate Governance at Baxter International Inc.—Director Compensation," and "— Committees of the Board — CHC Committee Interlocks and Insider Participation" in the Proxy Statement, all of which information is incorporated herein by reference.

Item 12. ***Security Ownership of Certain Beneficial Owners and Management and Related Stockholder Matters.***

The following table provides information relating to shares of common stock that may be issued under our existing equity compensation plans as of December 31, 2024.

Plan Category	Number of Shares to be Issued upon Exercise of Outstanding Options, Warrants and Rights(a)		Weighted-Average Exercise Price of Outstanding Options, Warrants and Rights(b)		Number of Shares Remaining Available for Future Issuance Under Equity Compensation Plans (Excluding Shares Reflected in Column(a)(b))	
Equity Compensation Plans Approved by Stockholders	25,169,949	(1)	$ 60.15	(2)	55,869,497	(3)
Equity Compensation Plans Not Approved by Stockholders	—		$ —		—	
Total	25,169,949	(4)	$ 60.15	(2)	55,869,497	

(1) Excludes purchase rights under the Employee Stock Purchase Plan. Under the Employee Stock Purchase Plan, eligible employees may purchase shares of common stock through payroll deductions of up to 15 percent of base pay at a purchase price equal to 85 percent of the closing market price on the purchase date (as defined by the Employee Stock Purchase Plan). A participating employee may not purchase more than $25,000 in fair market value of common stock under the Employee Stock Purchase Plan in any calendar year and may withdraw from the Employee Stock Purchase Plan at any time.

(2) Restricted stock units (RSUs) and performance share units (PSUs) are excluded when determining the weighted-average exercise price of outstanding options.

(3) Includes (i) 7,676,283 shares of common stock available for purchase under the Employee Stock Purchase Plan and (ii) 48,191,214 shares of common stock available under the 2021 Incentive Plan.

(4) Includes outstanding awards of 17,381,375 stock options, which have a weighted-average exercise price of 60.15 and a weighted-average remaining term of 3.83 years, 6,940,259 shares of common stock issuable upon vesting of RSUs, and 602,107 shares of common stock reserved for issuance in connection with PSU grants.

Refer to information under the captions entitled "Ownership of Baxter Stock — Security Ownership by Directors and Executive Officers" and "— Security Ownership by Certain Beneficial Owners" in the Proxy Statement, all of which information is incorporated herein by reference.

Item 13. ***Certain Relationships and Related Transactions, and Director Independence.***

Refer to the information under the caption entitled "Corporate Governance at Baxter International Inc.—Board of Directors—Director Independence," "— Proposal 1 — Election of Directors," "— Committees of the Board," and "—Board Responsibilities—Certain Relationships and Related Person Transactions" in the Proxy Statement, all of which information is incorporated herein by reference.

Item 14. ***Principal Accountant Fees and Services.***

Refer to the information under the caption entitled "Audit Matters—Audit and Non-Audit Fees" and "—Pre-Approval of Audit and Permissible Non-Audit Fees" in the Proxy Statement, all of which information is incorporated herein by reference.

PART IV

Item 15. ***Exhibits and Financial Statement Schedules***

The following documents are filed as a part of this report:

		Page Number
(1)	Financial Statements:	
	Consolidated Balance Sheets	48
	Consolidated Statements of Income (Loss)	49
	Consolidated Statements of Comprehensive Income (Loss)	50
	Consolidated Statements of Changes in Equity	51
	Consolidated Statements of Cash Flows	52
	Notes to Consolidated Financial Statements	54
	Report of Independent Registered Public Accounting Firm (PCAOB ID 238)	105
(2)	Schedules required by Article 12 of Regulation S-X:	
	All schedules have been omitted because they are not applicable or not required.	
(3)	Exhibits required by Item 601 of Regulation S-K are listed in the Exhibit Index, which is incorporated herein by reference. Exhibits in the Exhibit Index marked with a "C" in the left margin constitute management contracts or compensatory plans or arrangements contemplated by Item 15(b) of Form 10-K.	

Item 16. ***Form 10-K Summary.***

Not applicable.

ank=20250710-20250711088878

EXHIBIT INDEX

	Number and Description of Exhibit
2.1	Agreement and Plan of Merger, dated September 1, 2021, among Hill-Rom Holdings, Inc., the Company and Bel Air Subsidiary, Inc. (incorporated by reference to Exhibit 2.1 to Baxter International Inc.'s Current Report on Form 8-K, filed on September 2, 2021).
2.2	Equity Purchase Agreement, dated May 8, 2023, by and among Baxter International Inc., Baxter Healthcare Corporation, Baxter Deutschland Holding GmbH, Gambro Dialysatoren GmbH, Bamboo US BidCo LLC and Blitz 23-317 GmbH (incorporated by reference to Exhibit 2.1 to Baxter International Inc.'s Current Report on Form 8-K, filed on May 9, 2023).
2.3	Equity Purchase Agreement, dated August 12, 2024, by and among Baxter International Inc., Spruce Bidco I, Inc., Spruce Bidco II, Inc., Spruce Bidco I Limited and CP Spruce Holdings, S.C.Sp. (incorporated by reference to Exhibit 2.1 to Baxter International Inc.'s Current Report on Form 8-K, filed on August 13, 2024).
3.1*	Amended and Restated Certificate of Incorporation of Baxter International Inc., dated May 7, 2024
3.2*	Amended and Restated Bylaws of Baxter International Inc., dated November 26, 2024.
4.1(P)	Form of Common Stock Certificate of the Company (incorporated by reference to Exhibit(a) to the Company's Registration Statement on Form S-16 (Registration No. 02-65269), filed on August 17, 1979).
4.2*	Description of Securities Registered Under Section 12 of the Exchange Act.
4.3	Indenture, dated August 8, 2006, between the Company and J.P. Morgan Trust Company, National Association, as Trustee (incorporated by reference to Exhibit 4.1 to Baxter International Inc.'s Current Report on Form 8-K, filed on August 9, 2006).
4.4	Second Supplemental Indenture, dated December 7, 2007, between the Company and The Bank of New York Trust Company, N.A. (as successor in interest to J.P. Morgan Trust Company, National Association), as Trustee (including form of 6.250% Senior Note due 2037) (incorporated by reference to Exhibit 4.1 to Baxter International Inc.'s Current Report on Form 8-K, filed on December 7, 2007).
4.5	Eighth Supplemental Indenture, dated August 13, 2012, between the Company and The Bank of New York Mellon Trust Company, N.A. (as successor in interest to J.P. Morgan Trust Company, National Association), as Trustee (including form of 3.650% Senior Notes due 2042) (incorporated by reference to Exhibit 4.1 to Baxter International Inc.'s Current Report on Form 8-K, filed on August 13, 2012).
4.6	Ninth Supplemental Indenture, dated June 11, 2013, between the Company and The Bank of New York Mellon Trust Company, N.A. (as successor in interest to J.P. Morgan Trust Company, National Association), as Trustee (including form of 4.500% Senior Notes due 2043) (incorporated by reference to Exhibit 4.1 to Baxter International Inc.'s Current Report on Form 8-K, filed on June 11, 2013).
4.7	Tenth Supplemental Indenture, dated August 13, 2016, between the Company and The Bank of New York Mellon Trust Company, N.A., as Trustee (including forms of 2.600% Senior Notes due 2026 and 3.500% Senior Notes due 2046) (incorporated by reference to Exhibit 4.2 to Baxter International Inc.'s Current Report on Form 8-K, filed on August 15, 2016).
4.8	Eleventh Supplemental Indenture, dated as of May 30, 2017, by and between the Company and The Bank of New York Mellon Trust Company, N.A., as Trustee (including form of 1.300% Senior Notes due 2025) (incorporated by reference to Exhibit 4.2 to Baxter International Inc.'s Current Report on Form 8-K, filed on May 30, 2017).
4.9	Twelfth Supplemental Indenture, dated as of May 15, 2019, by and between the Company and The Bank of New York Mellon Trust Company, N.A., as Trustee (including form of 1.300% Senior Notes due 2029) (incorporated by reference to Exhibit 4.2 of Baxter International Inc.'s Current Report on Form 8-K, filed on May 15, 2019).
4.10	Indenture, dated as of March 26, 2020, between the Company and The Bank of New York Mellon Trust Company, N.A., as Trustee (incorporated by reference to Exhibit 4.1 to Baxter International Inc.'s Current Report on Form 8-K, filed on March 27, 2020).
4.11	First Supplemental Indenture, dated as of March 26, 2020, to the Indenture, dated as of March 26, 2020, between the Company and The Bank of New York Mellon Trust Company, N.A., as Trustee (including form of form of 3.950% Senior Notes due 2030) (incorporated by reference to Exhibit 4.2 to Baxter International Inc.'s Current Report on Form 8-K, filed on March 27, 2020).

	Number and Description of Exhibit
4.12	Second Supplemental Indenture, dated as of November 2, 2020, to the Indenture, dated as of March 26, 2020, between the Company and The Bank of New York Mellon Trust Company, N.A., as Trustee (including form of 1.730% Senior Notes due 2031) (incorporated by reference to Exhibit 4.1 to Baxter International Inc.'s Current Report on Form 8-K, filed on November 6, 2020).
4.13	Indenture, dated as of July 29, 2021, between the Company, as Issuer, and U.S. Bank National Association, as Trustee (incorporated by reference to Exhibit 4.1 to Baxter International Inc.'s Registration Statement on Form S-3, filed on July 29, 2021).
4.14	Indenture, dated as of December 1, 2021, between the Company, as Issuer, and U.S. Bank National Association, as Trustee (incorporated by reference to Exhibit 4.1 to Baxter International Inc.'s Current Report on Form 8-K, filed on December 2, 2021).
4.15	First Supplemental Indenture, dated as of December 1, 2021, to the Indenture, dated as of December 1, 2021, between the Company and U.S. Bank National Association, as Trustee (including forms of 1.915% Senior Notes due 2027, 2.272% Senior Notes due 2028, 2.539% Senior Notes due 2032 and 3.132% Senior Notes due 2051) (incorporated by reference to Exhibit 4.2 to Baxter International Inc.'s Current Report on Form 8-K, filed on December 2, 2021).
10.1	Credit Agreement, dated as of December 20, 2019, among Baxter Healthcare SA and Baxter World Trade SPRL, as Borrowers, J.P. Morgan Europe Limited, as Administrative Agent and certain other financial institutions named therein (incorporated by reference to Exhibit 10.2 to Baxter International Inc.'s Current Report on Form 8-K, filed on December 20, 2019).
10.2	First Amendment, dated as of October 1, 2021, to the Credit Agreement, dated as of December 20, 2019, among Baxter Healthcare SA and Baxter World Trade SRL, as Borrowers, the Company, the several banks party thereto, J.P. Morgan AG, as Administrative Agent and each other party thereto (incorporated by reference to Exhibit 10.3 to Baxter International Inc.'s Current Report on Form 8-K, filed on October 4, 2021).
10.3	Second Amendment, dated as of September 28, 2022, to the Credit Agreement, dated as of December 20, 2019, as amended by the First Amendment, dated as of October 1, 2021, among Baxter Healthcare SA and Baxter World Trade SRL, as Borrowers, JPMorgan SE, as Administrative Agent and certain other financial institutions named therein (incorporated by reference to Exhibit 10.5 to Baxter International Inc.'s Current Report on Form 8-K, filed on September 30, 2022).
10.4	Credit Agreement, dated as of September 30, 2021, among the Company, as Borrower, the financial institutions named therein, as Banks, JPMorgan Chase Bank, N.A., as Administrative Agent, and Citibank, N.A., as Syndication Agent (incorporated by reference to Exhibit 10.1 to Baxter International Inc.'s Current Report on Form 8-K, filed on October 4, 2021).
10.5	First Amendment, dated as of September 28, 2022, to the Credit Agreement, dated as of September 30, 2021, among Baxter International Inc., as Borrower, JPMorgan Chase Bank, National Association, as Administrative Agent and certain other financial institutions named therein (incorporated by reference to Exhibit 10.1 to Baxter International Inc.'s Current Report on Form 8-K, filed on September 30, 2022).
10.6	Second Amendment, dated as of September 28, 2022, to the Credit Agreement, dated as of September 30, 2021, as amended by the First Amendment, dated as of September 28, 2022, amount Baxter International Inc., as Borrower, JPMorgan Chase Bank, National Association, as Administrative Agent and certain other financial institutions named therein (incorporated by reference to Exhibit 10.2 to Baxter International Inc.'s Current Report on Form 8-K, filed on September 30, 2022).
10.7	Third Amendment, dated as of March 13, 2023, to the Credit Agreement, dated as of September 30, 2021, as amended by that certain First Amendment, dated as of September 28, 2022, and that certain Second Amendment, dated as of September 28, 2022, among Baxter International Inc. as Borrower, JPMorgan Chase Bank, National Association, as Administrative Agent and certain other financial institutions named therein (incorporated by reference to Exhibit 10.1 to Baxter International Inc.'s Current Report on Form 8-K, filed on March 13, 2023).
10.8	Fourth Amendment, dated as of March 21, 2024, to the Credit Agreement, dated as of September 30, 2021, as amended by that certain First Amendment, dated as of September 28, 2022, and that certain Second Amendment, dated as of September 28, 2022, and that certain Third Amendment, dated as of March 13, 2023, among Baxter International Inc. as Borrower, JPMorgan Chase Bank, National Association, as Administrative Agent and certain other financial institutions named therein (incorporated by reference to Exhibit 10.1 to Baxter International Inc.'s Current Report on Form 8-K, filed on March 21, 2024).

ank=20250710-20250711108879

	Number and Description of Exhibit
10.9	Credit Agreement, dated as of July 17, 2024, among Baxter International Inc., as Borrower, JPMorgan Chase Bank, National Association, as Administrative Agent, and certain other financial institutions named therein (incorporated by reference to Exhibit 10.1 to Baxter International Inc.'s Current Report on Form 8-K, filed on July 18, 2024).
10.10	Five-Year Credit Agreement, dated as of September 30, 2021, among the Company, as Borrower, the financial institutions named therein, as Banks, JPMorgan Chase Bank, N.A., as Administrative Agent, and Bank of America, N.A. and Citibank, N.A., as Syndication Agents (incorporated by reference to Exhibit 10.2 to Baxter International Inc.'s Current Report on Form 8-K, filed on October 4, 2021).
10.11	First Amendment, dated as of September 28, 2022, to the Five-Year Credit Agreement, dated as of September 30, 2021, among Baxter International Inc., as Borrower, JPMorgan Chase Bank, National Association, as Administrative Agent and certain other financial institutions named therein (incorporated by reference to Exhibit 10.3 to Baxter International Inc.'s Current Report on Form 8-K, filed on September 30, 2022).
10.12	Second Amendment, dated as of September 28, 2022, to the Five-Year Credit Agreement, dated as of September 30, 2021, among Baxter International Inc., as Borrower, JPMorgan Chase Bank, National Association, as Administrative Agent and certain other financial institutions named therein (incorporated by reference to Exhibit 10.4 to Baxter International Inc.'s Current Report on Form 8-K, filed on September 30, 2022).
10.13	Third Amendment, dated as of March 13, 2023, to the Five-Year Credit Agreement, dated as of September 30, 2021, as amended by that certain First Amendment, dated as of September 28, 2022, and that certain Second Amendment, dated as of September 28, 2022, among Baxter International Inc. as Borrower, JPMorgan Chase Bank, National Association, as Administrative Agent and certain other financial institutions named therein (incorporated by reference to Exhibit 10.2 to Baxter International Inc.'s Current Report on Form 8-K, filed on March 13, 2023).
10.14	Fourth Amendment, dated as of March 21, 2024, to the Five-Year Credit Agreement, dated as of September 30, 2021, as amended by that certain First Amendment, dated as of September 28, 2022, that certain Second Amendment, dated as of September 28, 2022, and that certain Third Amendment, dated as of March 13, 2023, among Baxter International Inc. as Borrower, JPMorgan Chase Bank, National Association, as Administrative Agent and certain other financial institutions named therein (incorporated by reference to Exhibit 10.2 to Baxter International Inc.'s Current Report on Form 8-K, filed on March 21, 2024).
10.15	Second Guaranty Amendment, dated as of March 13, 2023, to the Amended and Restated Guaranty, dated as of October 1, 2021, as amended by that certain Second Amendment, dated as of September 28, 2022, among Baxter Healthcare SA and Baxter World Trade SRL, as Borrowers, J.P. Morgan SE, as Administrative Agent and certain other financial institutions named therein (incorporated by reference to Exhibit 10.3 to Baxter International Inc.'s Current Report on Form 8-K, filed on March 13, 2023)
10.16	Third Guaranty Amendment, dated as of March 21, 2024, to the Amended and Restated Guaranty, dated as of October 1, 2021, as amended by that certain Second Amendment, dated as of September 28, 2022, and that certain Second Guaranty Amendment, dated as of March 13, 2023, among Baxter Healthcare SA and Baxter World Trade SRL, as Borrowers, J.P. Morgan SE, as Administrative Agent and certain other financial institutions named therein (incorporated by reference to Exhibit 10.3 to Baxter International Inc.'s Current Report on Form 8-K, filed on March 21, 2024)
10.17	Tax Matters Agreement, dated as of June 30, 2015, by and between Baxter International Inc. and Baxalta Incorporated (incorporated by reference to Exhibit 10.2 to Baxter International Inc.'s Current Report on Form 8-K, filed on July 7, 2015).
C 10.18	Form of Indemnification Agreement entered into with directors and officers (incorporated by reference to Exhibit 10.8 to Baxter International Inc.'s Annual Report on Form 10-K, filed on February 21, 2019).
C 10.19	Baxter International Inc. 2007 Incentive Plan (incorporated by reference to Appendix A to the Company's Definitive Proxy Statement on Schedule 14A, filed on March 20, 2007).
C 10.20	Baxter International Inc. Equity Plan for the 2007 Incentive Plan (incorporated by reference to Exhibit 10.1 to the Company's Current Report on Form 8-K, filed on March 16, 2007).
C 10.21	Baxter International Inc. 2011 Incentive Plan (incorporated by reference to Appendix B to Baxter International Inc.'s Definitive Proxy Statement on Schedule 14A, filed on March 18, 2011).
C 10.22	Baxter International Inc. Equity Plan for the 2011 Incentive Plan (incorporated by reference to Exhibit 10.1 to Baxter International Inc.'s Quarterly Report on Form 10-Q, filed on May 3, 2011).

	Number and Description of Exhibit
C 10.23	Baxter International Inc. 2015 Incentive Plan (incorporated by reference to Appendix A to Baxter International Inc.'s Definitive Proxy Statement on Schedule 14A, filed on March 25, 2015).
C 10.24	Baxter International Inc. Equity Plan for the 2015 Incentive Plan (incorporated by reference to Exhibit 10.6 to Baxter International Inc.'s Current Report on Form 8-K, filed on July 7, 2015).
C 10.25	Baxter International Inc. Equity Plan for José E. Almeida under the 2015 Incentive Plan (incorporated by reference to Exhibit 10.2 to Baxter International Inc.'s Current Report on Form 8-K, filed on October 29, 2015).
C 10.26	Baxter International Inc. 2017 Equity Plan, effective as of March 2, 2017 (incorporated by reference to Exhibit 10.2 to Baxter International Inc.'s Current Report on Form 8-K, filed on March 3, 2017).
C 10.27	Baxter International Inc. 2020 Equity Plan, effective as of March 16, 2020 (incorporated by reference to Exhibit 10.22 to Baxter International Inc.'s Annual Report on Form 10-K, filed on March 17, 2020).
C 10.28	Baxter International Inc. Amended and Restated 2021 Incentive Plan (incorporated by reference to Appendix A to Baxter International Inc.'s Definitive Proxy Statement on Schedule 14A, filed on March 25, 2024).
C 10.29	Form of Performance Stock Unit Grant Agreement under Baxter International Inc. 2021 Incentive Plan (incorporated by reference to Exhibit 10.1 to Baxter International Inc.'s Quarterly Report on Form 10-Q, filed on April 28, 2022).
C 10.30	Form of Restricted Stock Unit Grant Agreement under Baxter International Inc. 2021 Incentive Plan (incorporated by reference to Exhibit 10.2 to Baxter International Inc.'s Quarterly Report on Form 10-Q, filed on April 28, 2022).
C 10.31	Form of Stock Option Grant Agreement under Baxter International Inc. 2021 Incentive Plan (incorporated by reference to Exhibit 10.3 to Baxter International Inc.'s Quarterly Report on Form 10-Q, filed on April 28, 2022).
C 10.32	Baxter International Inc. Directors' Deferred Compensation Plan (amended and restated effective January 31, 2024) (incorporated by reference to Baxter International Inc.'s Annual Report on Form 10-K, filed on February 8, 2024.
C 10.33	Amended Offer Letter between the Company and José E. Almeida, dated as of July 25, 2023 (incorporated by reference to Exhibit 10.1 to Baxter International Inc.'s Quarterly Report on Form 10-Q, filed on July 27, 2023).
C 10.34	Offer Letter, dated September 26, 2023, by and between the Company and Joel Grade (incorporated by reference to Exhibit 10.1 to Baxter International Inc.'s Current Report on Form 8-K, filed on October 3, 2023).
C 10.35	Offer Letter, dated April 22, 2023, by and between the Company and Christopher Toth (incorporated by reference to Baxter International Inc.'s Annual Report on Form 10-K, filed on February 8, 2024.
C 10.36	Letter Agreement, dated February 1, 2025, by and between José E. Almeida and the Company (incorporated by reference to Baxter International Inc's Current Report on Form 8-K, filed on February 3, 2025).
C 10.37	Letter Agreement, dated February 1, 2025, by and between Brent Shafer and the Company (incorporated by reference to Baxter International Inc's Current Report on Form 8-K, filed on February 3, 2025).
C 10.38	Form of Severance Agreement entered into with executive officers (incorporated by reference to Exhibit 10.11 to Baxter International Inc.'s Annual Report on Form 10-K, filed on February 21, 2014).
C 10.39	Baxter International Inc. Executive Officer Cash Severance Policy, effective February 13, 2023 (incorporated by reference to Exhibit 10.1 to Baxter International Inc.'s Current Report on Form 8-K, filed on February 14, 2023).
C 10.40	Baxter International Inc. Employee Stock Purchase Plan, as amended and restated effective July 1, 2011 (incorporated by reference to Appendix A to Baxter International Inc.'s Definitive Proxy Statement on Schedule 14A, filed on March 18, 2011).

ani=202507110-2025071108880

	Number and Description of Exhibit
C 10.41	First Amendment to Baxter International Inc. Employee Stock Purchase Plan, dated as of July 15, 2016 (incorporated by reference to Exhibit 10.27 to Baxter International Inc.'s Annual Report on Form 10-K, filed on February 23, 2017).
C 10.42	Baxter International Inc. Non-Employee Director Compensation Plan, as amended and restated effective January 1, 2025 (incorporated by reference to Exhibit 10.2 to Baxter International Inc.'s Quarterly Report on Form 10-Q,, filed on November 2, 2024).
C 10.43	Form of Non-Competition, Non-Solicitation and Confidentiality Agreement (incorporated by reference to Exhibit 10.1 to Baxter International Inc.'s Current Report on Form 8-K, filed on April 14, 2017).
C 10.44R	Commitment Agreement, dated as of October 4, 2019, by and among the Company, The Prudential Insurance Company of America and State Street Global Advisors Trust Company, acting solely in its capacity as the independent fiduciary of the Baxter International Inc. and Subsidiaries Pension Plan (incorporated by reference to Exhibit 10.32 to Baxter International Inc.'s Annual Report on Form 10-K, filed on March 17, 2020).
C 10.45	Baxter International Inc. and Subsidiaries Pension Plan, as amended and restated effective January 5, 2018 (incorporated by reference to Exhibit 10.1 to Baxter International Inc.'s Current Report on Form 8-K, filed on January 8, 2018).
C 10.46	First Amendment to the Baxter International Inc. and Subsidiaries Pension Plan (incorporated by reference to Exhibit 10.34 to Baxter International Inc.'s Annual Report on Form 10-K, filed on March 17, 2020).
C 10.47	Second Amendment to the Baxter International Inc. and Subsidiaries Pension Plan (incorporated by reference to Exhibit 10.35 to Baxter International Inc.'s Annual Report on Form 10-K, filed on March 17, 2020).
C 10.48	Baxter International Inc. and Subsidiaries Pension Plan II, as amended and restated effective January 1, 2019 (incorporated by reference to Exhibit 10.36 to Baxter International Inc.'s Annual Report on Form 10-K, filed on March 17, 2020).
C 10.49	Baxter International Inc. and Subsidiaries Supplemental Pension Plan, as amended and restated effective January 5, 2018 (incorporated by reference to Exhibit 10.3 to Baxter International Inc.'s Current Report on Form 8-K, filed on January 8, 2018).
C 10.50	Baxter International Inc. and Subsidiaries Deferred Compensation Plan, as amended and restated effective January 1, 2021 (incorporated by reference to Exhibit 10.31 to Baxter International Inc.'s Annual Report on Form 10-K, filed on February 11, 2021).
C 10.51	Baxter International Inc. Management Incentive Compensation Program – 2020 Program Document (incorporated by reference to Exhibit 10.1 to Baxter International Inc.'s Quarterly Report on Form 10-Q, filed on July 30, 2020).
C 10.52	New Change-in-Control Agreement, dated as of September 24, 2020, between the Company and José E. Almeida (incorporated by reference to Exhibit 10.1 to Baxter International Inc.'s Current Report on Form 8-K, filed on September 25, 2020).
C 10.53	Form of Amended Grandfathered Change-in-Control Agreement (incorporated by reference to Exhibit 10.2 to Baxter International Inc.'s Current Report on Form 8-K, filed on September 25, 2020).
C 10.54	Change in Control Agreement between the Company and Christopher Toth, dated as of June 15, 2023 (incorporated by reference to Exhibit 10.2 to Baxter International Inc.'s Quarterly Report on Form 10-Q filed on July 27, 2023).
C 10.55	Form of Change-in-Control Agreement (incorporated by reference to Exhibit 10.4 to Baxter International Inc.'s Quarterly Report on Form 10-Q, filed on October 29, 2020).
C 10.56	Baxter International Inc. Executive Severance Plan, as amended and restated effective July 15, 2024) (incorporated by reference to Exhibit 10.3 to Baxter International Inc.'s Quarterly Report on Form 10-Q, filed on November 2, 2024).
19*	Baxter International Inc. Securities Trading Policy
21*	Subsidiaries of Baxter International Inc.
23*	Consent of PricewaterhouseCoopers LLP.

	Number and Description of Exhibit
31.1*	Certification of Chief Executive Officer pursuant to Rules 13a-14(a) and 15d-14(a) of the Securities Exchange Act of 1934, as amended.
31.2*	Certification of Chief Financial Officer pursuant to Rules 13a-14(a) and 15d-14(a) and 15d-14(a) of the Securities Exchange Act of 1934, as amended.
32.1**	Certification of Chief Executive Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
32.2**	Certification of Chief Financial Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
97.1	Baxter International Inc. Mandatory Clawback Policy (incorporated by reference to Exhibit 97.1 to Baxter International Inc.'s Annual Report on Form 10-K, filed on February 8, 2024).
101.INS*	XBRL Instance Document
101.SCH*	XBRL Taxonomy Extension Schema Document
101.CAL*	XBRL Taxonomy Extension Calculation Linkbase Document
101.LAB*	XBRL Taxonomy Extension Label Linkbase Document
101.PRE*	XBRL Taxonomy Extension Presentation Linkbase Document
101.DEF*	XBRL Taxonomy Extension Definition Linkbase Document

---

* Filed herewith.

* Furnished herewith. This exhibit shall not be deemed "filed" for purposes of Section 18 of the Securities Exchange Act of 1934, or otherwise subject to the liability of that Section. Such exhibit shall not be deemed incorporated into any filing under the Securities Act of 1933 or the Securities Exchange Act of 1934.

R Includes redactions.

C Management contract or compensatory plan or arrangement.

(P) Paper exhibit

ank=20250710-20250711088881

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

BAXTER INTERNATIONAL INC.

By: /s/ Brent Shafer
Brent Shafer

Chair and Interim Chief Executive Officer

DATE: February 21, 2025

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of the registrant and in the capacities indicated on February 21, 2025.

Signature	Title
/s/ Brent Shafer Brent Shafer	Chair and Interim Chief Executive Officer (principal executive officer)
/s/ Joel T. Grade Joel T. Grade	Executive Vice President, Chief Financial Officer and Interim Chief Accounting Officer (principal financial officer and principal accounting officer)
/s/ William A. Ampofo II William A. Ampofo II	Director
/s/ Jeffrey A. Craig Jeffery A. Craig	Director
/s/ Patricia B. Morrison Patricia B. Morrison	Director
/s/ Stephen N. Oesterle, M.D. Stephen N. Oesterle, M.D.	Director
/s/ Stephen H. Rusckowski Stephen H. Rusckowski	Director
/s/ Nancy M. Schlichting Nancy M. Schlichting	Director
/s/ Cathy R. Smith Cathy R. Smith	Director
/s/ Amy A. Wendell Amy A. Wendell	Director
/s/ David S. Wilkes, M.D. David S. Wilkes, M.D.	Director

ank=20250711088820-20250711088882

Exhibit 3.1

AMENDED AND RESTATED
CERTIFICATE OF INCORPORATION
OF
BAXTER INTERNATIONAL INC.

Pursuant to Sections 242 and 245 of the General Corporation Law of Delaware

Baxter International Inc., a corporation organized and existing under the General Corporation Law of Delaware, does hereby certify as follows:

(1) The name of the corporation is Baxter International Inc. The name under which it was originally incorporated was Don Baxter Intravenous Products Corporation. The date of filing of its original Certificate of Incorporation was October 19, 1931.

(2) This Amended and Restated Certificate of Incorporation was duly adopted by the Board of Directors of the corporation and its stockholders in accordance with the provisions of Sections 242 and 245 of the General Corporation Law of Delaware.

(3) This Amended and Restated Certificate of Incorporation restates and further amends the Amended and Restated Certificate of Incorporation of the corporation, as heretofore amended or supplemented.

(4) The text of the Amended and Restated Certificate of Incorporation, as heretofore amended or supplemented, is amended and restated in its entirety as follows:

FIRST: The name of the corporation is Baxter International Inc. (hereinafter in this Amended and Restated Certificate of Incorporation called the "Corporation").

SECOND: The registered office of the Corporation in the State of Delaware is located at 1209 Orange Street in the City of Wilmington, County of New Castle, 19801. The name of the registered agent of the corporation is The Corporation Trust Company.

THIRD: The purpose of the Corporation is to engage in any lawful act or activity for which corporations may be organized under the General Corporation Law of Delaware.

FOURTH: The total number of shares of stock which the Corporation shall have authority to issue is two billion, one hundred million (2,100,000,000) shares, of which one hundred million (100,000,000) shares of no par value shall be preferred stock (the "Preferred Stock") and of which two billion (2,000,000,000) shares, of the par value of U.S. one dollar (U.S. $1.00) each, amounting in the aggregate to U.S. two billion dollars (U.S.$2,000,000,000), shall be common stock (the "Common Stock").

Authority is hereby expressly granted to and vested in the Board of Directors of the Corporation to provide for the issue of the Preferred Stock in one or more series and in connection therewith to fix by resolutions providing for the issue of such series the number of shares to be included in such series and the designations and such voting powers, full or limited, or no voting powers, and such of the preferences and relative, participating, optional or other special rights, and the qualifications, limitations or restrictions thereof, of such series of the Preferred Stock which are not fixed by this Amended and Restated Certificate of Incorporation, to the full extent now or hereafter permitted by the laws of the State of Delaware. Without limiting the generality of the grant of authority contained in the preceding sentence, the Board of Directors is authorized to determine any or all of the following, and the shares of each series may vary from the shares of any other series in any or all of the following respects:

1. The number of shares of such series (which may subsequently be increased, except as otherwise provided by the resolutions of the Board of Directors providing for the issue of such series, or decreased to a number not less than the number of shares then outstanding) and the distinctive designation thereof;

2. The dividend rights, if any, of such series, the dividend preferences, if any, as between such series and any other class or series of stock, whether and the extent to which shares of such series shall be entitled to participate in dividends with shares of any other series or class of stock, whether and the extent to which dividends on such series shall be cumulative, and any limitations, restrictions or conditions on the payment of such dividends;

3. The time or times during which, the price or prices at which, and any other terms or conditions on which the shares of such series may be redeemed, if redeemable;

4. The rights of such series, and the preferences, if any, as between such series and any other class or series of stock, in the event of any voluntary or involuntary liquidation, dissolution or winding up of the Corporation and whether and the extent to which shares of any such series shall be entitled to participate in such event with any other class or series of stock;

5. The voting powers, if any, in addition to the voting powers prescribed by law of shares of such series, and the terms of exercise of such voting powers;

6. Whether shares of such series shall be convertible into or exchangeable for shares of any other series or class of stock, or any other securities, and the terms and conditions, if any, applicable to such rights;

7. The terms and conditions, if any, of any purchase, retirement or sinking fund which may be provided for the shares of such series.

Series B Junior Participating Preferred Stock:

The terms of the Corporation's Series B Junior Participating Preferred Stock are incorporated from the Certificate of Designation pursuant to which it was created into the Amended and Restated Certificate of Incorporation as follows:

RESOLVED, that pursuant to the authority conferred upon the Board of Directors of this Corporation by the Restated Certificate of Incorporation, a series of Preferred Stock of the Corporation be and it hereby is created, and that the designations, powers, preferences and relative and other special rights and qualifications, limitations or restrictions thereof are as follows:

SECTION 1. DESIGNATION AND AMOUNT.

The shares of such series shall be designated as "Series B Junior Participating Preferred Stock" and the number of shares constituting such series shall be 3,500,000.

SECTION 2. DIVIDENDS AND DISTRIBUTIONS.

(A) Subject to the prior and superior rights of the holders of any shares of any series of Preferred Stock ranking prior and superior to the shares of Series B Junior Participating Preferred Stock with respect to dividends, the holders of shares of Series B Junior Participating Preferred Stock shall be entitled to receive, when, as and if declared by the Board of Directors out of funds legally available for the purpose, quarterly dividends payable in cash on the first day of January, April, July and October in each year (each such date being referred to herein as a "Quarterly Dividend Payment Date"), commencing on the first Quarterly Dividend Payment date after the first issuance of a share or fraction of a share of Series B Junior Participating Preferred Stock, in an amount share (rounded to the nearest cent) equal to the greater of (a) $5.00 or (b) subject to the provision for adjustment hereinafter set 100 times the aggregate per share amount of all cash dividends, and 100 times the aggregate per share amount (payable in kind) of all noncash dividends or other distributions other than a dividend payable in shares of Common Stock or a subdivision of the outstanding shares of Common Stock (by reclassification or otherwise), declared on the Common Stock, par value $1 per share, of the Corporation (the "Common Stock") since the immediately preceding Quarterly Dividend Payment Date, or, with respect to the first Quarterly Dividend Payment Date, since the first issuance of any share or fraction of a share of Series B Junior Participating Preferred Stock. In the event the Corporation shall at any time after November 17, 1998 (the "Rights Declaration Date") (i) declare any dividend on Common Stock payable in shares of Common Stock, (ii) subdivide the outstanding Common

ank=20250710-202507110883

Stock, or (iii) combine the outstanding Common Stock into a smaller number of shares, then in each such case the amount to which holders of shares of Series B Junior Participating Preferred Stock were entitled immediately prior to such event under clause (b) of the preceding sentence shall be adjusted by multiplying such amount by a fraction, the numerator of which is the number of shares of Common Stock outstanding immediately after such event and the denominator of which is the number of shares of Common Stock that were outstanding immediately prior to such event.

(B) The Corporation shall declare a dividend or distribution on the Series B Junior Participating Preferred Stock as provided in Paragraph (A) above immediately after it declares a dividend or distribution on the Common Stock (other than a dividend payable in shares of Common Stock); provided that, in the event no dividend or distribution shall have been declared on the Common Stock during the period between any Quarterly Dividend Payment Date and the next subsequent Quarterly Dividend Payment Date, subject to the prior and superior rights of the holders of any shares of any series of Preferred Stock ranking prior to and superior to the shares of Series B Junior Participating Preferred Stock with respect to dividends, a dividend of $5.00 per share on the Series B Junior Participating Preferred Stock shall nevertheless be payable on such subsequent Quarterly Dividend Payment Date.

(C) Dividends shall begin to accrue and be cumulative on outstanding shares of Series B Junior Participating Preferred Stock from the Quarterly Dividend Payment Date next preceding the date of issue of such shares of Series B Junior Participating Preferred Stock, unless the date of issue of such shares is prior to the record date for the first Quarterly Dividend Payment Date, in which case dividends on such shares shall begin to accrue from the date of issue of such shares, or unless the date of issue is a Quarterly Dividend Payment Date or is a date after the record date for the determination of holders of shares of Series B Junior Participating Preferred Stock entitled to receive a quarterly dividend and before such Quarterly Dividend Payment Date, in either of which events such dividends shall begin to accrue and be cumulative from such Quarterly Dividend Payment Date. Accrued but unpaid dividends shall not bear interest. Dividends paid on the shares of Series B Junior Participating Preferred Stock in an amount less than the total amount of such dividends at the time accrued and payable on such shares shall be allocated pro rata on a share-by-share basis among all such shares at the time outstanding. The Board of Directors may fix a record date for the determination of holders of shares of Series B Junior Participating Preferred Stock entitled to receive payment of a dividend or distribution declared thereon, which record date shall be no more than 60 days prior to the date fixed for the payments thereof.

SECTION 3. VOTING RIGHTS.

The holders of shares of Series B Junior Participating Preferred Stock shall have the following voting rights:

(A) Subject to the provision for adjustment hereinafter set forth, each share of Series B Junior Participating Preferred Stock shall entitle the holder thereof to 100 votes on all matters submitted to a vote of the stockholders of the Corporation. In the event the Corporation shall at any time after the Rights Declaration Date (i) declare any dividend on Common Stock payable in shares of Common Stock, (ii) subdivide the outstanding Common Stock, or (iii) combine the outstanding Common Stock into a smaller number of shares, then in each such case the number of votes per share to which holders of shares of Series B Junior Participating Preferred Stock were entitled immediately prior to such event shall be adjusted by multiplying such number by a fraction, the numerator of which is the number of shares of Common Stock outstanding immediately after such event and the denominator of which is the number of shares of Common Stock that were outstanding immediately prior to such event.

(B) Except as otherwise provided herein or by law, the holder of shares of Series B Junior Participating Preferred Stock and the holders of shares of Common Stock shall vote collectively as one class on all matters submitted to a vote of stockholders of the Corporation.

(C) If at any time of any annual meeting of stockholders for the election of directors a default in preference dividends on the Preferred Stock shall exist, the number of directors constituting the Board of Directors of the Corporation shall be increased by two, and the holders of the Preferred Stock of all series

shall have the right at such meeting, voting together as a single class without regard to series, to the exclusion of the holders of Common Stock, to elect two directors of the Corporation to fill such newly created directorships. Such right shall continue until there are no dividends in arrears upon the Preferred Stock. Each director elected by the holders of shares of Preferred Stock (herein called a "Preferred Director"), shall continue to serve as such director for the full term for which he shall have been elected, notwithstanding that prior to the end of such term a default in preference dividends shall cease to exist. Any Preferred Director may be removed by, and shall not be removed except by, the vote of holders of record of the outstanding shares of Preferred Stock, voting together as a single class without regard to series, at a meeting of the stockholders, or of the holders of shares of Preferred Stock, called for the purpose. So long as a default in any preference dividends on the Preferred Stock shall exist (A) any vacancy in the office of a Preferred Director may be filled (except as provided in the following clause (B)) by an instrument in writing signed by the remaining Preferred Director and filed with the Corporation and (B) in the case of the removal of any Preferred Director, the vacancy may be filled by the vote of the holders of the outstanding shares of Preferred Stock, voting together as a single class without regard to series, at the same meeting at which such removal shall be voted. Each director appointed as aforesaid by the remaining Preferred Director shall be deemed, for all purposes hereof, to be a Preferred Director. Whenever the term of office of the Preferred Directors shall end and a default in preference dividends shall no longer exist, the number of directors, constituting the Board of Directors of the Corporation shall be reduced by two. For the purposes hereof, a "default in preference dividends" on the Preferred Stock shall be deemed to have occurred whenever the amount of accrued dividends upon any series of the Preferred Stock shall be equivalent to six full quarter yearly dividends or more, and, having so occurred, such default shall be deemed to exist thereafter until, but only until, all accrued dividends on all shares of Preferred Stock of each and every series then outstanding shall have been paid or declared and set apart for payment to the end of the last preceding quarterly dividend period.

(D) Except as set forth herein, holders of Series B Junior Participating Preferred Stock shall have no special voting rights and their consent shall not be required (except to the extent they are entitled to vote with holders of Common Stock as set forth herein) for taking any corporate action.

SECTION 4. CERTAIN RESTRICTIONS.

(A) Whenever quarterly dividends or distributions payable on the Series B Junior Participating Preferred Stock as provided in Section 2 are in arrears, thereafter and until all accrued and unpaid dividends and distributions, whether or not declared, on shares of Series B Junior Participating Preferred Stock outstanding shall have been paid in full, the Corporation shall not:

(i) declare or pay dividends on, make any other distributions on, or redeem or purchase or otherwise acquire for consideration any shares of stock ranking junior (either as to dividends or upon liquidation, dissolution or winding up) to the Series B Junior Participating Preferred Stock;

(ii) declare or pay dividends on or make any other distributions on any shares of stock ranking on a parity (either as to dividends or upon liquidation, dissolution or winding up) with the Series B Junior Participating Preferred Stock, except dividends paid ratably on the Series B Junior Participating Preferred Stock and all such parity stock on which dividends are payable or in arrears in proportion to the total amounts to which the holders of all such shares are then entitled;

(iii) redeem or purchase or otherwise acquire for consideration shares of any stock ranking on a parity (either as to dividends or upon liquidation, dissolution or winding up) with the Series B Junior Participating Preferred Stock, provided that the Corporation may at any time redeem, purchase or otherwise acquire shares of any such parity stock in exchange for shares of any stock of the Corporation ranking junior (either as to dividends or upon dissolution, liquidation or winding up) to the Series B Junior Participating Preferred Stock; or

(iv) purchase or otherwise acquire for consideration any shares of Series B Junior Participating Preferred Stock, or any shares of stock ranking on a parity with the

ank=20250710-20250711108884

Series B Junior Participating Preferred Stock, except in accordance with a purchase offer made in writing or by publication (as determined by the Board of Directors) to all holders of such shares upon such terms as the Board of Directors, after consideration of the respective annual dividend rates and other relative rights and preferences of the respective series and classes, shall determine in good faith will result in fair and equitable treatment among the respective series or classes.

(B) The Corporation shall not permit any subsidiary of the Corporation to purchase or otherwise acquire for consideration any shares of stock of the Corporation unless the Corporation could, under Paragraph (A) of this Section 4, purchase or otherwise acquire such shares at such time and in such manner.

SECTION 5. REACQUIRED SHARES.

Any shares of Series B Junior Participating Preferred Stock purchased or otherwise acquired by the Corporation in any manner whatsoever shall be retired and cancelled promptly after the acquisition thereof. All such shares shall upon their cancellation become authorized but unissued shares of Preferred Stock and may be reissued as part of a new series of Preferred Stock to be created by resolution or resolutions of the Board of Directors, subject to the conditions and restrictions on issuance set forth herein.

SECTION 6. LIQUIDATION, DISSOLUTION OR WINDING UP.

(A) Upon any liquidation (voluntary or otherwise), dissolution or winding up of the Corporation, no distribution shall be made to the holders of shares of stock ranking junior (either as to dividends or upon liquidation, dissolution or winding up) to the Series B Junior Participating Preferred Stock unless, prior thereto, the holders of shares of Series B Junior Participating Preferred Stock shall have received $100 per share, plus an amount equal to accrued and unpaid dividends and distributions thereon, whether or not declared, to the date of such payment (the "Series B Liquidation Preference"). Following the payment of the full amount of the Series B Liquidation Preference, no additional distributions shall be made to the holders of shares of Series B Junior Participating Preferred Stock unless, prior thereto, the holders of shares of Common Stock shall have received an amount per share (the "Common Adjustment") equal to the quotient obtained by dividing (i) the Series B Liquidation Preference by (ii) 100 (as appropriately adjusted as set forth in subparagraph (C) below to reflect such events as stock splits, stock dividends and recapitalizations with respect to Common Stock) (such number in clause (ii), the "Adjustment Number"). Following the payment of the full amount of the Series B Liquidation Preference and the Common Adjustment in respect of all outstanding shares of Series B Junior Participating Preferred Stock and Common Stock, respectively, holders of Series B Junior Participating Preferred Stock and holders of shares of Common Stock shall receive their ratable and proportionate share of the remaining assets to be distributed in the ratio of the Adjustment Number to 1 with respect to such Preferred Stock and Common Stock, on a per share basis, respectively.

(B) In the event, however, that there are not sufficient assets available to permit payment in full of the Series B Liquidation Preference and the liquidation preferences of all other series of preferred stock, if any, which rank on a parity with the Series B Junior Participating Preferred Stock, then such remaining assets shall be distributed ratably to the holders of such parity shares in proportion to their respective liquidation preferences. In the event, however, that there are not sufficient assets available to permit payment in full of the Common Adjustment, then such remaining assets shall be distributed ratably to the holders of Common Stock.

(C) In the event the Corporation shall at any time after the Rights Declaration Date (i) declare any dividend on Common Stock payable in shares of Common Stock, (ii) subdivide the outstanding Common Stock, or (iii) combine the outstanding Common Stock into a smaller number of shares, then in each such case the Adjustment Number in effect immediately prior to such event shall be adjusted by multiplying such Adjustment Number by a fraction, the numerator of which is the number of shares of Common Stock outstanding immediately after such event and the denominator of which is the number of shares of Common Stock that were outstanding immediately prior to such event.

SECTION 7. CONSOLIDATION, MERGER, ETC.

In case the Corporation shall enter into any consolidation, merger, combination or other transaction in which the shares of Common Stock are exchanged for or changed into other stock or securities, cash and/or any other property, then in any such case the shares of Series B Junior Participating Preferred Stock shall at the same time be similarly exchanged or changed in an amount per share (subject to the provision for adjustment hereinafter set forth) equal to 100 times the aggregate amount of stock, securities, cash and/or any other property (payable in kind), as the case may be, into which or for which each share of Common Stock is changed or exchanged. In the event the Corporation shall at any time after the Rights Declaration Date (i) declare any dividend on Common Stock payable in shares of Common Stock, (ii) subdivide the outstanding Common Stock, or (iii) combine the outstanding Common Stock into a smaller number of shares, then in each such case the amount set forth in the preceding sentence with respect to the exchange or change of shares of Series B Junior Participating Preferred Stock shall be adjusted by multiplying such amount by a fraction, the numerator of which is the number of shares of Common Stock outstanding immediately after such event and the denominator of which is the number of shares of Common Stock that were outstanding immediately prior to such event.

SECTION 8. NO REDEMPTION.

The shares of Series B Junior Participating Preferred Stock shall not be redeemable.

SECTION 9. RANKING.

The Series B Junior Participating Preferred Stock shall rank junior to all other series of the Corporation's Preferred Stock as to the payment of dividends and the distribution of assets whether or not upon the dissolution, liquidation or winding up of the Corporation, unless the terms of any such series shall provide otherwise.

SECTION 10. AMENDMENT.

The Amended and Restated Certificate of Incorporation of the Corporation shall not be further amended in any manner which would materially alter or change the powers, preferences or special rights of the Series B Junior Participating Preferred Stock so as to affect them adversely without the affirmative vote of the holders of a majority or more of the outstanding shares of Series B Junior Participating Preferred Stock, voting separately as a class.

SECTION 11. FRACTIONAL SHARES.

Series B Junior Participating Preferred Stock may be issued in fractions of a share which shall entitle the holder, in proportion to such holder's fractional shares, to exercise voting rights, receive dividends, participate in distributions and to have the benefit of all other rights of holders of Series B Junior Participating Preferred Stock.

FIFTH: The number of directors which shall constitute the whole Board of Directors of the Corporation shall be the number from time to time fixed by the Board of Directors but in no event shall be less than nine or more than seventeen. A decrease in the number of directors shall not affect the term of office of any director then in office.

Any vacancy on the Board of Directors that results from an increase in the number of directors may be filled by a majority of the directors then in office; and any other vacancy on the Board of Directors may be filled by a majority of the directors then in office, although less than a quorum, or by a sole remaining director.

SIXTH: Until the 2018 annual meeting of stockholders, (i) the Board of Directors shall be divided into three classes; (ii) the term of office for one class of directors will expire each year at the annual meeting of stockholders, in each case until the directors' respective successors are elected and qualified; and (iii) the directors chosen to succeed those whose terms are expiring shall be identified as being of the same class as the directors whom they succeed and shall be elected for a term expiring at the third succeeding annual

meeting of stockholders or thereafter in each case until their respective successors are elected and qualified, subject to death, resignation, retirement or removal from office.

ank=20250710-202507108885

Notwithstanding the foregoing, (i) at the 2016 annual meeting of stockholders, the directors whose terms expire at that meeting shall be elected to hold office for a one-year term expiring at the 2017 annual meeting of stockholders; (ii) at the 2017 annual meeting of stockholders, the directors whose terms expire at that meeting shall be elected to hold office for a one-year term expiring at the 2018 annual meeting of stockholders; and (iii) at the 2018 annual meeting of stockholders and each annual meeting of stockholders thereafter, all directors shall be elected for a one-year term expiring at the next annual meeting of stockholders. Pursuant to such procedures, effective as of the 2018 annual meeting of stockholders, the Board of Directors will no longer be classified under Section 141(d) of the General Corporation Law of the State of Delaware and directors shall no longer be divided into three classes. Prior to the 2018 annual meeting of stockholders, (a) any board seats created as a result of an increase in the number of directors comprising the entire Board of Directors shall be allocated to make the classes of directors as nearly equal as possible, (b) any director elected to fill a term resulting from an increase in the number of directors shall have the same term as the other members of his class or, if the director is not a member of a class, until the next annual meeting, and (c) a director elected to fill any other vacancy shall have the same remaining term as that of his predecessor.

A director shall hold office until the annual meeting for the year in which his or her term expires and until his or her successor shall be elected and shall qualify, subject, however, to prior death, resignation, retirement, disqualification or removal from office.

Whenever the holders of any one or more classes or series of Preferred Stock issued by the Corporation shall have the right, voting separately by class or series, to elect directors at an annual or special meeting of stockholders, the election, term of office, filling of vacancies and other features of such directorships shall be governed by the terms of the certificate of incorporation applicable thereto, and such directors so elected shall not be divided into classes pursuant to this Article **SIXTH**.

SEVENTH: The Board of Directors shall have such powers as are permitted by the General Corporation Law of Delaware, including, without limitation, without the assent or vote of the stockholders, to make, alter, amend, change, add to, or repeal the by-laws of the Corporation; to fix and vary the amount to be reserved as working capital; to authorize and cause to be executed mortgages and liens upon all the property of the Corporation, or any part thereof; to determine the use and disposition of any surplus or net profits over and above the *capital stock paid in; and to fix the times for the declaration and payment of dividends.*

EIGHTH: To the fullest extent permitted by the General Corporation Law of Delaware as the same exists or may hereafter be amended, no director or officer of the Corporation shall be liable to the Corporation or its stockholders for monetary damages for breach of fiduciary duty as a director or officer. If the General Corporation Law of Delaware is amended to authorize corporate action further eliminating or limiting the personal liability of directors or officers, then the liability of a director or officer of the Corporation shall be eliminated or limited to the fullest extent permitted by the General Corporation Law of Delaware, as so amended.

NINTH: The Corporation shall indemnify and advance expenses to each person who serves as an officer or director of the Corporation or a subsidiary of the Corporation and each person who serves or may have served at the request of the Corporation as a director, officer, employee, or agent of another corporation, partnership, joint venture, trust or other enterprise from any liability incurred as a result of such service to the fullest extent permitted by the General Corporation Law of Delaware as it may from time to time be amended, except with respect to an action commenced by such director or officer against the Corporation or by such director or officer as a derivative action by or in the right of the Corporation. Each person who is or was an employee or agent of the Corporation and each officer or director who commences any action against the Corporation or a derivative action by or in the right of the Corporation may be similarly indemnified and receive an advance of expenses at the discretion of the Board of Directors.

The indemnification and advancement of expenses provided by, or granted pursuant to, the Amended and Restated Certificate of Incorporation shall not be deemed exclusive of any other rights to

which those seeking indemnification or advancement of expenses may be entitled under any agreement, vote of stockholders or disinterested directors or otherwise, both as to action in his official capacity and as to action in another capacity while holding such office.

The Corporation may purchase and maintain insurance on behalf of any person who is or was a director, officer, employee or agent of the Corporation, or is or was serving at the request of the Corporation as a director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise against any liability asserted against him and incurred by him in any such capacity, or arising out of his status as such, whether or not the Corporation would have the power to indemnify him against such liability under the Amended and Restated Certificate of Incorporation or Delaware law.

The indemnification and advancement of expenses provided by, or granted pursuant to, the Amended and Restated Certificate of Incorporation shall continue as to a person who has ceased to be a director, officer, employee or agent and shall inure to the benefit of the heirs, executors and administrators of such a person.

TENTH: No amendment to the Amended and Restated Certificate of Incorporation or repeal of any Article of the Amended and Restated Certificate of Incorporation shall increase the liability or alleged liability or reduce or limit the right to indemnification of any directors, officers or employees of the Corporation for acts or omissions of such person occurring prior to such amendment or repeal.

ELEVENTH: All actions required or permitted to be taken by the stockholders at an annual or special meeting of stockholders of the Corporation may be taken without a meeting, without prior notice and without a vote if a consent or consents in writing, setting forth the action so taken, shall be signed by the holders of record of the outstanding shares of the Corporation having not less than the minimum number of votes that would be necessary to authorize or take such action at a meeting at which all shares entitled to vote thereon were present and voted and shall be delivered to the Corporation in accordance with this Article **ELEVENTH** and applicable law.

A. Request for Record Date. The record date for determining the stockholders entitled to consent to a corporate action in writing without a meeting shall be as fixed by the Board of Directors or as otherwise established under this Article **ELEVENTH**. Any stockholder(s) of record seeking to have the stockholders of the Corporation authorize or take action by written consent without a meeting shall, by written notice addressed to the Corporate Secretary, delivered to the Corporation at its principal executive office and signed by holders of record at the time such notice is delivered beneficially owning shares representing in the aggregate at least 25% of the outstanding shares of Common Stock entitled to vote on the matter, provided that such shares are determined to be "Net Long Shares" (as defined in Section 3(a) of the by-laws of the Corporation, as may be amended from time to time) that have been held continuously for at least one year prior to the date of the written request (the "Requisite Percentage") request that a record date be fixed for such purpose. For purposes of this Article **ELEVENTH**, the term "beneficially owned" has the meaning ascribed thereto in Rules 13d-3 and 13d-5 under the Securities Exchange Act of 1934, as amended (the "Exchange Act"). Such request must contain the information set forth in Paragraph (B) of this Article **ELEVENTH**. Following receipt of such request, the Board of Directors shall, by the later of (i) twenty days after the Corporation's receipt of such request and (ii) ten days after delivery of any information requested by the Corporation to determine the validity of any such request or whether the request relates to an action that may be taken by written consent pursuant to this Article **ELEVENTH** and applicable law, determine the validity of such request and, if appropriate, adopt a resolution fixing the record date for such purpose. The record date for such purpose shall be no more than ten days after the date upon which the resolution fixing the record date is adopted by the Board of Directors and shall not precede the date upon which such resolution is adopted. If the request required by this Paragraph (A) has been determined to be valid and to relate to an action that may be effected by written consent pursuant to this Article **ELEVENTH** and applicable law or if no such determination shall have been made by the date required by this Paragraph (A), and in either event no record date has been fixed by the Board of Directors by the date required by this Paragraph (A), the record date shall be the first date on which a signed written consent relating to the action taken or proposed to be taken by written consent is delivered to the Corporation in the manner described in Paragraph (E) of this Article **ELEVENTH**; provided, that if prior action by the Board of Directors is required by applicable law or the rules of the stock exchange upon which the Corporation's

ank=20250711088886

stock is traded, the record date shall be 5:00pm, Central Time, on the day on which the Board of Directors adopts the resolution taking such prior action.

B. Request Requirements.

(a) Any request required by Paragraph (A) of this Article **ELEVENTH** must be delivered by the holders of record of at least the Requisite Percentage, who shall not revoke such request and who shall continue to beneficially own not less than the Requisite Percentage through the date of delivery of consents signed by a sufficient number of stockholders to authorize or take such action, and must:

(i) contain an agreement to solicit consents in accordance with Paragraph (D) of this Article **ELEVENTH**;

(ii) describe the action proposed to be taken by written consent of stockholders (including the text of any resolutions to be adopted by written consent of stockholders and the language of any proposed amendment to the by-laws of the Corporation);

(iii) contain (x) in the case of any matter (other than a director nomination) proposed to be taken by written consent of stockholders, the information required by Section 2(e) of the by-laws of the Corporation, and (y) in the case of any director nominees proposed to be elected by written consent of stockholders, the information required by Sections 2(e), 4(d) and 4(f)(D) of the by-laws of the Corporation;

(iv) set forth the calculation of the requesting stockholder(s)' Net Long Shares, including the number of shares held of record and disclosure of any short positions, hedges, voting or other arrangements that impact the calculation of such Net Long Shares;

(v) include an agreement by the requesting stockholder(s) to notify the Corporation immediately in the case of any disposition prior to the record date set for the action by written consent of any Net Long Shares beneficially owned of record and an acknowledgement that any such disposition shall be deemed a revocation of such request to the extent of such disposition, such that the number of shares disposed of shall not be included in determining whether the Requisite Percentage has been reached and maintained; and

(vi) include documentary evidence that the requesting stockholder(s) beneficially own in the aggregate not less than the Requisite Percentage as of the date of such written request to the Corporate Secretary.

(b) The Corporation may require the stockholder(s) submitting such request to furnish such other information as may be reasonably requested by the Corporation.

(c) Any requesting stockholder may revoke his, her or its request at any time by written revocation delivered to the Corporate Secretary at the principal executive office of the Corporation; provided, however, that if at any time following such revocation (including any revocation resulting from a disposition of shares), the unrevoked valid requests represent in the aggregate less than the Requisite Percentage, the Board of Directors, in its discretion, may cancel the action by written consent and revoke the fixing of the record date established in connection therewith.

C. Actions Which May Be Taken by Written Consent. Stockholders are not entitled to act by written consent in lieu of a meeting of stockholders if (i) the request to act by written consent made pursuant to Paragraph (A) of this Article **ELEVENTH** (x) does not comply with this Article **ELEVENTH**, (y) was made in a manner that involved a violation of Regulation 14A under the Exchange Act or other applicable law, or (z) relates to an item of business that is not a proper subject for stockholder action under applicable law, (ii) any such request is received by the Corporation during the period commencing ninety days before the first anniversary of the date of the immediately preceding annual meeting of stockholders and ending on the date of the next annual meeting of stockholders, (iii) an identical or substantially similar item (as determined by the Board of Directors, a "Similar Item"), other than the election or removal of directors, was presented at a

meeting of stockholders held not more than twelve months before the request for a record date for such action is delivered to the Corporation, (iv) a Similar Item consisting of the election or removal of directors was presented at a meeting of stockholders held not more than ninety days before the request for a record date was delivered to the Corporation (and, for purposes of this clause, the election or removal of directors shall be deemed a "Similar Item" with respect to all items of business involving the election or removal of directors, changing the size of the Board of Directors and the filling of vacancies and/or newly created directorships resulting from any increase in the authorized number of directors), or (v) a Similar Item is included in the Corporation's notice of meeting as an item of business to be brought before an annual or special meeting of stockholders that has been called but not yet held or that is called within ninety days after the request is received by the Corporate Secretary. The Board of Directors shall determine whether a record date is required to be set under this Article **ELEVENTH**.

D. Manner of Consent Solicitation. Stockholders may take action by written consent only if consents are solicited by the stockholder(s) seeking to take action by written consent from all holders of capital stock of the Corporation entitled to vote on the matter in accordance with this Article **ELEVENTH**, the by-laws of the Corporation, Regulation 14A of the Exchange Act, without reliance upon the exemption contained in Rule 14a-2(b)(2) of the Exchange Act, and applicable law.

E. Timing of Delivery. No written consent purporting to take or authorize the taking of a corporate action (each such written consent is referred to in this Paragraph (E) and in Paragraph (F) of this Article **ELEVENTH** as a "Consent") shall be effective to take the corporate action referred to therein unless Consents signed by a sufficient number of stockholders to take such action are delivered to the Corporation in the manner required by Paragraph (F) of this Article **ELEVENTH** within sixty days of the first date on which a Consent is so delivered to the Corporation.

F. Delivery of Consents. No Consents may be dated or delivered to the Corporation or its registered office in the State of Delaware until the date that is sixty days after the date of delivery of a valid request to set a record date. Consents must be delivered to the Corporation by delivery to its registered office in the State of Delaware or its principal place of business. Delivery must be made by hand or by certified or registered mail, return receipt requested. In the event of the delivery to the Corporation of Consents, the Corporate Secretary or such other officer of the Corporation or inspector as the Board of Directors may designate shall provide for the safe-keeping of such Consents and any related revocations and shall promptly conduct such ministerial review of the sufficiency of all Consents and any related revocations and of the validity of the action to be taken by written consent as the Corporate Secretary or such other officer of the Corporation, as the case may be, deems necessary or appropriate, including, without limitation, whether the stockholders of a number of shares having the requisite voting power to authorize or take the action specified in the Consents have given their valid and duly executed consent to the taking of such action; provided, however, that if the action to which the Consents relate is the election or removal of one or more members of the Board of Directors, the Corporate Secretary or such other officer of the Corporation, as the case may be, shall promptly designate two persons, who shall not be members of the Board of Directors, to serve as inspectors (the "Inspectors") with respect to such Consent, and such Inspectors shall discharge the functions of the Corporate Secretary or such other officer of the Corporation, as the case may be, under this Article **ELEVENTH**. If, after such investigation, the Corporate Secretary, such other officer of the Corporation or the Inspectors, as the case may be, determines that the action purported to have been taken is duly authorized by the Consents, that fact shall be certified on the records of the Corporation kept for the purpose of recording the proceedings of meetings of stockholders and the Consents shall be filed in such records. In conducting the investigation required by this section, the Corporate Secretary, such other officer of the Corporation or the Inspectors, as the case may be, may, at the expense of the Corporation, retain special legal counsel and any other necessary or appropriate professional advisors as such person or persons may deem necessary or appropriate and, to the fullest extent permitted by law, shall be fully protected in relying in good faith upon the opinion of such counsel or advisors.

G. Effectiveness of Consent. Notwithstanding anything in this Certificate of Incorporation to the contrary, no action may be taken by written consent of the stockholders except in accordance with this Article **ELEVENTH** and applicable law. If the Board of Directors shall determine that any request to fix a record date or to take stockholder action by written consent was not properly made in accordance with, or relates to an action that may not be effected by written consent pursuant to, this Article **ELEVENTH** or

ank=20250710-20250711088887

applicable law, or the stockholder(s) seeking to take such action do not otherwise comply with this Article **ELEVENTH** or applicable law, then the Board of Directors shall not be required to fix a record date in respect of such proposed action, and any such purported action by written consent shall be null and void. No action by written consent without a meeting shall be effective until such date as the Corporate Secretary, such other officer of the Corporation as the Board of Directors may designate or the Inspectors, as applicable, certify to the Corporation that the Consents delivered to the Corporation in accordance with Paragraph (F) of this Article **ELEVENTH** represent at least the minimum number of votes that would be necessary to take the corporate action at a meeting at which all shares entitled to vote thereon were present and voted, in accordance with applicable law and this Certificate of Incorporation.

H. Challenge to Validity of Consent. Nothing contained in this Article **ELEVENTH** shall in any way be construed to suggest or imply that the Board of Directors or any stockholder shall not be entitled to contest the validity of any Consent or related revocations, whether before or after such certification by the Corporate Secretary, such other officer of the Corporation as the Board of Directors may designate or the Inspectors, as the case may be, or to take any other action with respect thereto (including, without limitation, the commencement, prosecution, or defense of any litigation, and the seeking of injunctive relief in such litigation).

I. Board-Solicited Stockholder Action by Written Consent. Notwithstanding anything to the contrary set forth above, (x) none of the foregoing provisions of this Article **ELEVENTH** shall apply to any solicitation of stockholder action by written consent in lieu of a meeting by or at the direction of the Board of Directors and (y) the Board of Directors shall be entitled to solicit stockholder action by written consent in accordance with applicable law.

TWELFTH: Special meetings of the stockholders (i) may be called by the Chair of the Board, the Chief Executive Officer or by the Corporate Secretary of the Corporation at the direction of the Board of Directors and (ii) subject to the provisions of the by-laws, shall be called by the Corporate Secretary of the Corporation upon written request from record holders of at least 15% of the outstanding shares of Common Stock entitled to vote on the matter or matters to be brought before the proposed special meeting, provided that such shares are determined to be "Net Long Shares" (as defined in Section 3(a) of the by-laws of the Corporation, as may be amended from time to time) that have been held continuously for at least one year prior to the date of the written request. Any such request shall be filed with the Corporate Secretary of the Corporation and otherwise made in accordance with, and subject to, all applicable provisions of the by-laws (including those set forth in Section 3 thereof). Subject to the rights of the holders of any shares of Preferred Stock, special meetings of the stockholders may not be called by any other person or persons.

IN WITNESS WHEREOF, Baxter International Inc. has caused this Amended and Restated Certificate of Incorporation to be executed on its behalf this 7th day of May, 2024.

BAXTER INTERNATIONAL INC.

By: /s/ Ellen K. Bradford

Name: Ellen K. Bradford

Title: Senior Vice President and Corporate Secretary

EXHIBIT 3.2

BYLAWS
OF
BAXTER INTERNATIONAL INC.

(As Amended and Restated on November 27, 2024)

ARTICLE I
STOCKHOLDERS

SECTION 1. PLACE OF MEETINGS. The Board of Directors (the "Board of Directors") of Baxter International Inc. (the "Corporation") may designate the place of meeting for any meetings of stockholders, within or without the State of Delaware, or determine that such meeting shall be held by means of remote communication, but if no such designation is made, the place of meeting shall be the principal executive offices of the Corporation.

SECTION 2. ANNUAL MEETINGS. The annual meeting of stockholders for the election of directors and the transaction of other business shall be held at such date and time as determined by the Board of Directors.

SECTION 3. SPECIAL MEETINGS.

(a) Special meetings of the stockholders (i) may be called by the Board of Directors, the chair of the Board of Directors (the "Chair of the Board") or the chief executive officer of the Corporation (the "Chief Executive Officer"); and (ii) subject to the provisions of this Section 3, shall be called by the corporate secretary of the Corporation (the "Corporate Secretary") upon the receipt by the Corporate Secretary at the Corporation's principal executive offices of a request in proper written form (each, a "Special Meeting Request") from one or more stockholders (each, a "Requesting Stockholder") who have continuously held of record for at least one year as of the date of the Corporate Secretary's receipt of such Special Meeting Request "Net Long Shares" (as defined in this Section 3(a)) representing in the aggregate at least fifteen percent (15%) of the voting power of all outstanding shares of common stock of the Corporation entitled to vote on the matter or matters proposed to be brought before the requested special meeting (such Net Long Shares held for the requisite period, the "Requisite Percentage"); provided that a special meeting of stockholders requested by one or more Requesting Stockholders shall be called by the Corporate Secretary only if each such Requesting Stockholder and the Special Meeting Request comply with the applicable provisions of these Bylaws (including this Section 3), the Certificate of Incorporation of the Corporation (as amended or restated from time to time, the "Certificate of Incorporation") and applicable law, rules and regulations. Subject to the rights of the holders of any shares of preferred stock of the Corporation, special meetings of the stockholders may not be called by any other person or persons.

For purposes of these Bylaws, a stockholder's "Net Long Shares" shall be limited to the number of shares beneficially owned, directly or indirectly, by such stockholder that constitute such stockholder's "net long position" as defined in Rule 14e-4 under the Securities and Exchange Act of 1934 (together with the rules and regulations promulgated thereunder, in each case, as may be amended from time to time, the "Exchange Act"); provided that: (i) for the purposes of such definition, reference in such rule to (A) "the date that a tender offer is first publicly announced or otherwise made known by the bidder to holders of the security to be acquired" shall be the date for determining and/or documenting a stockholder's or beneficial owner's Net Long Shares, (B) the "highest tender offer price or stated amount of the consideration offered for the subject security" shall refer to the closing sales price of the Corporation's common stock on the New York Stock Exchange (or such other securities exchange designated by the Board of Directors if the Corporation's common stock is not then listed for trading on the New York Stock Exchange) on such date (or, if such date is not a trading day, the next succeeding trading day), (C) the

ank=20250719&88

"person whose securities are the subject of the offer" shall refer to the Corporation, and (D) "subject security" shall refer to the issued and outstanding common stock of the Corporation; and (ii) the net long position of such stockholder shall be reduced by the number of shares as to which the Board of Directors determines such stockholder does not, or will not, have the right to vote on its own behalf at the applicable meeting or as to which the Board of Directors determines that such stockholder has entered into any derivative or other agreement, arrangement, or understanding that hedges or transfers, in whole or in part, directly or indirectly, any of the economic consequences of ownership of such shares. In addition, to the extent any affiliates of the stockholder or beneficial owner are acting in concert with the stockholder or beneficial owner with respect to the request to call the special meeting or the submission of any proposal of business, including a nomination, for consideration at a meeting of stockholders, as applicable, the determination of Net Long Shares may include the effect of aggregating the Net Long Shares (including any negative number) of such affiliate or affiliates. Whether shares constitute Net Long Shares shall be determined in good faith by the Board of Directors. For purposes of these Bylaws, the word "beneficially owned" has the meaning ascribed thereto in Rules 13d-3 and 13d-5 under the Exchange Act.

(b) To be in proper written form, a Special Meeting Request must be signed and dated by each Requesting Stockholder, or a duly authorized agent of each such Requesting Stockholder, and must include:

(i) a statement of the specific purpose or purposes for requesting such special meeting;

(ii) as to each Requesting Stockholder, the information and other disclosures required by clause (i) of Section 4(e) of this Article I;

(iii) (1) documentary evidence that the Requesting Stockholder(s), in the aggregate, own of record not less than the Requisite Percentage as of the date of such Special Meeting Request; and (2) a calculation of each Requesting Stockholder's Net Long Shares (including the number of shares held of record and disclosure of any short positions, hedges, voting or other arrangements that impact the calculation of such Net Long Shares);

(iv) an agreement signed by each Requesting Stockholder to (1) own, in the aggregate, the Requisite Percentage at all times between the date of the Corporate Secretary's receipt of the Special Meeting Request, on the one hand, and the date of the requested special meeting, on the other hand; and (2) notify the Corporation immediately in the case of any reduction prior to the date of the requested special meeting of any Net Long Shares owned beneficially or of record by such Requesting Stockholder, and an acknowledgement that any such reduction shall be deemed a revocation of such Special Meeting Request to the extent of such reduction, such that the number of shares disposed of shall not be included in determining whether the Requisite Percentage has been reached and maintained; and

(v) as to each matter of business proposed to be brought before the meeting by the Requesting Stockholder(s), the information and other disclosures required by clauses (ii) and (iii) of Section 4(e) of this Article I, as applicable.

(c) Each applicable person (including the Requesting Stockholder(s) and any proposed nominee) shall update and supplement the Special Meeting Request delivered and the information provided to the Corporation pursuant to this Section 3 and under any questionnaire, representation or agreement, if necessary, so that the information provided or required to be provided in such Special Meeting Request shall continue to be true and correct (i) as of the record date for the requested special meeting and (ii) as of the date that is ten (10) business days prior to the date of such special meeting (or any adjournment or postponement thereof), and such update and supplement must be received by the Corporate Secretary at the Corporation's principal executive offices not later than five (5) business days

after the record date for such special meeting (in the case of the update and supplement required to be made as of the record date), and not later than eight (8) business days prior to the date of such special meeting (in the case of the update and supplement required to be made as of ten (10) business days prior to the special meeting or any adjournment or postponement thereof). The obligation of a Requesting Stockholder, a proposed nominee or other applicable person to provide information or an update pursuant to this Section 3 (including under any questionnaire, representation or agreement, as applicable) shall not limit the Corporation's rights with respect to any inaccuracies or other deficiencies in any Special Meeting Request or other information provided by such person or enable or be deemed to permit such person to amend or update any nomination or other proposal contained in a Special Meeting Request or to submit any new nomination or proposal for such meeting.

(d) In determining whether a special meeting of stockholders has been requested by Requesting Stockholders representing in the aggregate at least the Requisite Percentage, multiple Special Meeting Requests received by the Corporate Secretary will be considered together only if (i) each such Special Meeting Request identifies identical or substantially the same business to be brought before the special meeting (as determined in good faith by the Board of Directors), and (ii) such Special Meeting Requests have been dated and received by the Corporate Secretary at the Corporation's principal executive offices within sixty (60) days of the earliest dated Special Meeting Request identifying such business.

(e) Any Requesting Stockholder may revoke his, her or its Special Meeting Request at any time by written revocation received by the Corporate Secretary at the Corporation's principal executive offices. If, at any time after receipt by the Corporate Secretary of a valid Special Meeting Request, there are no longer outstanding unrevoked requests from Requesting Stockholders holding in the aggregate at least the Requisite Percentage (whether because of revoked requests, a reduction in the number of shares of common stock owned by a Requesting Stockholder or otherwise), the Board of Directors, in its discretion, may cancel the requested special meeting.

(f) Special meetings of stockholders shall be held at such date, time and place, if any, or by such means of remote communication, in each case, as determined by the Board of Directors in its discretion.

(g) Notwithstanding the foregoing provisions of this Section 3, the Corporation shall not be required to convene a special meeting requested by a Requesting Stockholder if:

(i) the Requesting Stockholder or the Special Meeting Request does not comply with the requirements set forth in these Bylaws (including this Section 3), the Certificate of Incorporation or any applicable law, rule or regulation;

(ii) the Special Meeting Request is received by the Corporation during the period commencing ninety (90) days prior to the first anniversary of the date of the immediately preceding annual meeting of stockholders and ending on the date of the next annual meeting of stockholders;

(iii) the Board of Directors calls or has called an annual or special meeting of stockholders to be held within ninety (90) days after the Corporate Secretary receives the Special Meeting Request and the Board of Directors determines in good faith that the business to be presented at such meeting includes a matter that is identical or substantially similar to the business specified in the Special Meeting Request (a "Similar Item");

(iv) the Special Meeting Request relates to a matter of business other than the election or removal of directors and the Board of Directors determines that a Similar Item was presented at an annual or special meeting held not more than twelve (12) months before the date on which the Special Meeting Request was received by the Corporate Secretary;

ank=20250711088889

(v) the Special Meeting Request relates to the election or removal of directors and the Board of Directors determines that a Similar Item was presented at an annual or special meeting of stockholders held not more than ninety (90) days prior to the date the Special Meeting Request was received by the Corporate Secretary (and, for purposes of this clause, the election or removal of directors shall be deemed a "Similar Item" with respect to all matters of business involving the election or removal of directors, a change in the size of the Board of Directors or the filling of vacancies and/or newly created directorships resulting from any increase in the authorized number of directors); or

(vi) the Special Meeting Request (x) relates to an item of business that is not a proper subject for stockholder action under applicable law, rules or regulations or (y) was made in a manner that involved a violation of Regulation 14A of the Exchange Act or other applicable law.

(h) No business may be presented by a stockholder or transacted at a special meeting of stockholders other than business that is included in the Corporation's notice of the meeting, which, in the case of a special meeting requested by a Requesting Stockholder, shall be limited to (i) the matter(s) specified in the valid Special Meeting Request and otherwise properly brought before the special meeting by the Requesting Stockholder in accordance with the requirements set forth in these Bylaws (including this Section 3), the Certificate of Incorporation and applicable law, rules and regulations and (ii) any additional matters that the Board of Directors determines to include in the Corporation's notice of such meeting. Notwithstanding anything herein to the contrary, if the business to be transacted at a special meeting that has been called by the Board of Directors includes the election of directors, nominations of persons for election to the Board of Directors at such meeting may be made in compliance with the procedures set forth in Section 4 of this Article I.

(i) If the Board of Directors, the Chair of the Board or the person presiding over a special meeting of stockholders determines that any business proposed to be brought before such meeting pursuant to this Section 3 was not properly brought in accordance with the requirements set forth in these Bylaws (including in compliance with any questionnaire, representation or agreement required under these Bylaws), the Certificate of Incorporation or any applicable law, rule or regulation, the Board of Directors or such person shall declare to the meeting that such business was not properly brought before the meeting and may decline to allow such defective business to be transacted at the meeting, even if the Corporation has received proxies or votes in respect of such business (which proxies and votes may also be disregarded).

(j) Unless otherwise required by applicable law, if none of the Requesting Stockholders who requested a special meeting pursuant to this Section 3 appear at the requested meeting, or send a qualified representative, to present the business set forth in their Special Meeting Request, the Corporation need not present such business for a vote at such meeting, even if the Corporation has received proxies or votes in respect of such business (which proxies and votes may also be disregarded).

SECTION 4. NOTICE OF STOCKHOLDER PROPOSALS AND NOMINATIONS OF DIRECTORS.

(a) The matters to be transacted at any meeting of stockholders shall be limited to only such matters as shall be brought properly before such meeting in compliance with the procedures set forth in this Section 4 or Sections 3 or 5 of this Article I, as applicable. Any business proposed to be brought by a stockholder must also constitute a proper matter for stockholder action.

(b) *Annual Meetings of Stockholders*. Nominations of persons for election to the Board of Directors and other proposals of business may only be made at an annual meeting of stockholders: (i) pursuant to the Corporation's notice of meeting (or any supplement thereto); (ii) by or at the direction of the Board of Directors; (iii) by a stockholder of the Corporation who is a stockholder of record on the date of the giving of the notice provided for in this Section 4 and on the record date for the determination of

stockholders entitled to vote at such meeting and otherwise complies with the notice and other procedures set forth in these Bylaws (including this Section 4); or (iv) by an Eligible Stockholder pursuant to Section 5 of this Article I.

(c) *Special Meetings of Stockholders*. Only such business shall be transacted at a special meeting of stockholders as shall have been brought before the meeting pursuant to the Corporation's notice of meeting. Notwithstanding anything herein to the contrary, nominations of persons for election to the Board of Directors may be made at a special meeting of stockholders called by the Board of Directors at which directors are to be elected pursuant to the Corporation's notice of meeting: (i) by or at the direction of the Board of Directors; or (ii) by a stockholder of the Corporation who is a stockholder of record on the date of the giving of the notice provided for in this Section 4 and on the record date for the determination of stockholders entitled to vote at such meeting and otherwise complies with the notice and other procedures set forth in these Bylaws (including this Section 4). The number of nominees a stockholder may nominate for election at any such special meeting shall not exceed the number of directors to be elected by stockholders generally at such special meeting.

(d) In addition to complying with any other applicable requirements set forth in these Bylaws, the Certificate of Incorporation and applicable law, rules and regulations, for any business (including a nomination) to be properly brought before a meeting of stockholders by a stockholder pursuant to clauses (b)(iii) or (c)(ii) of this Section 4, such stockholder must have given timely notice thereof in proper written form to the Corporate Secretary. To be timely, a stockholder's notice to the Corporate Secretary must be received by the Corporate Secretary at the Corporation's principal executive offices (i) in the case of business proposed to be brought before an annual meeting, not less than ninety (90) days nor more than one hundred and twenty (120) days prior to the anniversary date of the immediately preceding annual meeting of stockholders; provided, however, that in the event that the annual meeting is called for a date that is not within thirty (30) days before or after such anniversary date, notice by the stockholder in order to be timely must be so received not later than the close of business on the tenth (10th) day following the day on which such notice of the date of the annual meeting was mailed or such public disclosure of the date of the annual meeting was made, whichever first occurs; and (ii) in the case of a nomination proposed to be brought before a special meeting of stockholders called by the Board of Directors for the purpose of electing directors, not later than the close of business on the tenth (10th) day following the day on which notice of the date of the special meeting was mailed or public disclosure of the date of the special meeting was made, whichever first occurs.

(e) To be in proper written form, a stockholder's notice to the Corporate Secretary must include the following, as applicable:

(i) as to the stockholder giving the notice:

(A) the name and address of such stockholder and any Interested Person (as defined below) of such stockholder (including, if applicable, as they appear on the Corporation's books);

(B) (1) the class or series and number of shares of capital stock of the Corporation that are, directly or indirectly, owned of record and beneficially by such stockholder and any Interested Person of such stockholder; (2) the nominee holder for, and number of, shares owned beneficially but not of record by such stockholder or Interested Person; (3) the dates such shares were acquired; (4) the investment intent of such acquisition; and (5) the calculation of the Net Long Shares of such stockholder and any Interested Person of such stockholder;

(C) a complete and accurate description of any instrument, agreement, arrangement or understanding (including but not limited to any derivative or short positions, profit interests, options, warrants, convertible securities, stock appreciation or

ank=0-20250711088890

similar rights, hedging transactions or borrowed or loaned shares) owned, held or entered into by or on behalf of such stockholder or any Interested Person of such stockholder, the effect or intent of which is to manage the risk or benefit of share price changes in the stock price of the Corporation, to mitigate loss to such person with respect to any share of capital stock of the Corporation, or to increase or decrease the voting power of such person with respect to any share of capital stock of the Corporation or that otherwise relates to the acquisition or disposition of any shares of capital stock of the Corporation (collectively, "Derivative Instruments");

(D) a complete and accurate description of any agreement, arrangement or understanding pursuant to which such person has received any financial assistance, funding or other consideration from any other person or entity with respect to the investment by such stockholder or any Interested Person of such stockholder in the Corporation;

(E) a complete and accurate description of any performance-related fees (other than an asset-based fee) to which any such stockholder or any Interested Person of such stockholder may be entitled as a result of any increase or decrease in the value of any securities of the Corporation or any Derivative Instrument;

(F) to the extent known by such stockholder, the names and addresses of any other stockholders (including any beneficial owners) of the Corporation known to be providing financial support or meaningful assistance in furtherance of the business proposed to be brought before the meeting;

(G) a complete and accurate description of all agreements, arrangements and understandings between or among such stockholder, any Interested Person of such stockholder and any other person or entity (including their names) in connection with or related to the proposed business, including, without limitation, (1) any proxy, contract, arrangement, understanding or relationship pursuant to which any such stockholder, Interested Person or any other person or entity has the right to vote any shares of capital stock of the Corporation; and (2) any other agreements that would be required to be disclosed by such stockholder, Interested Person or any other person or entity pursuant to Item 5 or Item 6 of a Schedule 13D that would be filed pursuant to the Exchange Act (regardless of whether the requirement to file a Schedule 13D is applicable to such stockholder, Interested Person or any other person or entity);

(H) a complete and accurate description of any material interest of such stockholder or any Interested Person of such stockholder in the proposed business;

(I) any other information relating to the proposed business, such stockholder or any Interested Person of such stockholder that would be required to be disclosed in a proxy statement or other filing required to be made in connection with solicitations of proxies in support of such business pursuant to Section 14 of the Exchange Act;

(J) a representation from such stockholder as to whether such stockholder or any beneficial owner on whose behalf such stockholder is acting intends or is part of a group (providing the name and address of each participant) which intends: (1) to deliver a proxy statement and/or form of proxy to holders of at least the percentage of the Corporation's outstanding shares required to elect each proposed nominee or to approve or adopt such other proposed business, as applicable; (2) otherwise to solicit proxies in support of such proposed business; and/or (3) to solicit the holders of the Corporation's shares of capital stock in accordance with Rule 14a-19 under the Exchange Act; and

(K) a representation that such stockholder intends to appear in person or by proxy at the meeting to present the proposed business, including any proposed nominee, before the meeting;

(ii) as to each proposed nominee the stockholder proposes to nominate for election to the Board of Directors at the meeting:

(A) the name, age, business address, residence address and record address of such proposed nominee;

(B) the principal occupation or employment of such proposed nominee;

(C) (1) the class or series and number of shares of capital stock of the Corporation that are, directly or indirectly, owned beneficially and of record by such proposed nominee; (2) the nominee holder for, and number of, shares owned beneficially but not of record by such nominee; (3) the dates such shares were acquired; (4) the investment intent of such acquisition; (5) the calculation of such nominee's Net Long Shares; and (6) any Derivative Instruments owned, held or entered into by such nominee;

(D) any information relating to such proposed nominee that would be required to be disclosed in a proxy statement or other filings required to be made in connection with solicitations of proxies for the election of directors pursuant to Section 14 of the Exchange Act;

(E) a complete and accurate description of any agreements, arrangements and understandings between or among such proposed nominee, the stockholder giving the notice, any Interested Person of such stockholder and any other person or entity (naming such person or entity) in connection with or related to such nominee's nomination and any relationship between or among the stockholder giving the notice and any Interested Person of such stockholder, on the one hand, and such nominee, on the other hand, including but not limited to, (1) any direct or indirect compensation, reimbursement or indemnification in connection with such nominee's service or action as a director or any commitment or assurance as to how such nominee will act or vote or any matter; and (2) any information that would be required to be disclosed pursuant to Item 404 promulgated under Regulation S-K if the stockholder giving notice and any such Interested Person were the "registrant" for purposes of such item and such nominee was a director or executive officer of such registrant;

(F) details of any relationships between such proposed nominee and any other person or entity that would be required to be set forth in a Schedule 13D if such nominee were required to file a Schedule 13D with respect to the Corporation;

(G) details of any positions where such proposed nominee has served as an officer or director of any competitor of the Corporation (that is, any entity that produces products or provides services that compete with or are alternatives to the products produced or services provided by the Corporation or its affiliate) within the three (3) years preceding the submission of the stockholder's notice;

(H) a completed directors' and officers' questionnaire with respect to such proposed nominee in the form required by the Corporation (which form the stockholder giving the notice shall request in writing from the Corporate Secretary and which the Corporate Secretary shall provide to the stockholder within ten (10) days of receiving such request) and signed by such nominee;

ank=20250710-20250711108891

(l) a written representation and agreement in a form reasonably satisfactory to the Board of Directors and signed by such proposed nominee that such nominee:

(1) will comply with the Corporation's processes for evaluating any person being considered for nomination or re-nomination to the Board of Directors, including an agreement to meet with members of the Nominating, Corporate Governance and Public Policy Committee, the lead independent director of the Board of Directors (the "Lead Independent Director") and/or the Chair of the Board, if requested, to discuss matters relating to the nomination of such nominee, including the information provided by such nominee to the Corporation in connection with his or her nomination and his or her eligibility to serve as a member of the Board of Directors;

(2) consents to the running of a background check in accordance with the Corporation's policy for prospective directors and will provide any information or consent requested by the Corporation that is necessary to run such background check;

(3) if elected as a director of the Corporation, (a) will comply with applicable state and federal law (including applicable fiduciary duties under state law), the rules of any stock exchange on which any of the Corporation's shares are traded, and all of the Corporation's corporate governance, ethics, conflict of interest, confidentiality, share ownership and trading policies and guidelines applicable generally to the Corporation's directors; and (b) would be in compliance with any such policies and guidelines that have been publicly disclosed (subject to any applicable phase-in period);

(4) is not and will not become a party to: (A) any agreement, arrangement or understanding with any person or entity other than the Corporation as to how he or she would vote or act on any matter, issue or question as a director of the Corporation (a "Voting Commitment") that has not been disclosed to the Corporate Secretary; (B) any Voting Commitment that could reasonably be expected to limit or interfere with such nominee's ability to comply, if elected as a director of the Corporation, with his or her fiduciary duties under applicable law; and (C) any direct or indirect compensation, reimbursement, indemnification or other financial agreement, arrangement or understanding with any person or entity other than the Corporation in connection with such nominee's service or action as a director of the Corporation that has not been disclosed to the Corporate Secretary;

(5) will provide facts, statements and other information in all communications with the Corporation and its stockholders that are or will be true and correct in all material respects and that do not and will not omit to state a material fact necessary in order to make the statements made therein, in light of the circumstances under which they were made, not misleading;

(6) will furnish such other information (a) as may reasonably be required by the Corporation to determine the eligibility of such nominee to serve as an independent director of the Corporation under the rules of any stock exchange upon which any of the Corporation's shares are traded, any applicable rules of the U.S. Securities and Exchange Commission (the "SEC") and any publicly disclosed standards used by the Board of Directors in determining and disclosing the independence of the Corporation's directors, including those applicable to a director's service on the audit committee, compensation

committee and any other committees of the Board of Directors (collectively, the "Independence Standards"), (b) that could be material to a reasonable stockholder's understanding of the independence, or lack thereof, of such nominee or (c) that may reasonably be requested by the Corporation to determine the eligibility of such nominee to be included in the Corporation's proxy materials or to serve as a director of the Corporation;

(7) intends to serve as a director of the Corporation for the full term if elected; and

(8) consents to being named in any proxy statement, associated proxy card or other proxy materials as a director nominee;

(iii) as to each matter of business other than a nomination that the stockholder proposes to bring before the meeting:

(A) a brief description of such business and the reasons for conducting such business at such meeting (including the text of any reasons for the proposed business that will be disclosed in any proxy statement or supplement thereto to be filed with the SEC); and

(B) the text of the proposal or business (including the complete text of any resolutions proposed to be presented for consideration and, in the event that such business includes a proposal to amend the Certificate of Incorporation or these Bylaws, the language of the proposed amendment).

(f) Each applicable person (including any stockholder giving notice pursuant to this Section 4 and any proposed nominee) shall update and supplement such notice and the information provided to the Corporation pursuant to this Section 4 and under any questionnaire, representation or agreement, if necessary, so that the information provided or required to be provided in such notice shall continue to be true and correct (i) as of the record date for the applicable meeting and (ii) as of the date that is ten (10) business days prior to the date of such meeting (or any adjournment or postponement thereof), and such update and supplement must be received by the Corporate Secretary at the Corporation's principal executive offices not later than five (5) business days after the record date for such meeting (in the case of the update and supplement required to be made as of the record date), and not later than eight (8) business days prior to the date of such meeting (in the case of the update and supplement required to be made as of ten (10) business days prior to the meeting or any adjournment or postponement thereof). The obligation of a stockholder, any proposed nominee or other applicable person to provide information or an update pursuant to this Section 4 (including under any questionnaire, representation or agreement, as applicable) shall not extend any applicable deadlines hereunder, enable or be deemed to permit such person to amend or update any nomination or other proposal contained in the stockholder's notice or to submit any new nomination or proposal after the advance notice deadlines hereunder have expired or limit the Corporation's rights with respect to any inaccuracies or other deficiencies in any notice or other information provided by such person. A stockholder may not, after the last day on which a notice would be timely under this Section 4, cure in any way any defect relating to the submission of a nomination or other proposal for such meeting.

(g) Notwithstanding anything to the contrary in these Bylaws, unless otherwise required by applicable law, if any stockholder (i) provides notice pursuant to Rule 14a-19(b) under the Exchange Act with respect to any proposed nominee and (ii) subsequently fails to comply with the requirements of Rule 14a-19(a)(2) or Rule 14a-19(a)(3) under the Exchange Act (or fails to timely provide reasonable evidence sufficient to satisfy the Corporation that such stockholder has met the requirements of Rule 14a-19(a)(3) in accordance with the following sentence), then the nomination of each such proposed nominee shall be disregarded, even if the Corporation has received proxies or votes in respect of such nomination (which

ank=20250710-302711088

proxies and votes shall also be disregarded). Upon request by the Corporation, if any stockholder provides notice pursuant to Rule 14a-19(b) or includes the information required by Rule 14a-19(b) in a preliminary or definitive proxy statement previously filed by such stockholder, then such stockholder shall deliver to the Corporation, no later than five (5) business days prior to the applicable meeting of stockholders, reasonable evidence that it has met the applicable requirements of Rule 14a-19 under the Exchange Act.

(h) If the Board of Directors, the Chair of the Board or the person presiding over the meeting determines that any business proposed to be brought before a meeting by a stockholder pursuant to this Section 4 was not made in accordance with the requirements set forth in these Bylaws (including in compliance with any questionnaire, representation or agreement required under these Bylaws), the Certificate of Incorporation or any applicable law, rule or regulation, the Board of Directors or such person shall declare to the meeting that such business was not properly brought before the meeting and may decline to allow such defective business to be transacted, even if the Corporation has received proxies or votes in respect of such business (which proxies and votes may also be disregarded).

(i) Unless otherwise required by applicable law, if a stockholder who gave notice pursuant to this Section 4 (or a qualified representative of such stockholder) does not appear at the applicable meeting of stockholders to present the business set forth in the stockholder's notice, the Corporation need not present such business for a vote at such meeting, even if the Corporation has received proxies or votes in respect of such business (which proxies and votes may also be disregarded).

(j) Notwithstanding anything to the contrary, the notice requirements set forth in this Section 4 with respect to any proposal of business (other than a nomination of a person for election to the Board of Directors) by a stockholder shall be deemed satisfied if such stockholder has submitted a proposal to the Corporation in compliance with Rule 14a-8 under the Exchange Act.

(k) For purposes of these Bylaws:

(i) "Interested Person" of any stockholder proposing business to be brought before a meeting of stockholders (including a nomination of a person for election to the Board of Directors) pursuant to this Section 4 or Section 5 of this Article I or requesting a special meeting pursuant to Section 3 of this Article I, as applicable, shall mean: (1) any person who is a member of a "group" (as such term is used in Rule 13d-5 of the Exchange Act) with or otherwise acting in concert with such stockholder; (2) any beneficial owner of capital stock of the Corporation on whose behalf the proposed business or special meeting request is being made (other than a stockholder that is a depositary); (3) any affiliate or associate (each within the meaning of Rule 12b-2 under the Exchange Act) of such stockholder or any such beneficial owner; and (4) any participant (as defined in paragraphs (a)(ii)-(vi) of Instruction 3 to Item 4 of Schedule 14A, or any successor instructions) with such stockholder, beneficial owner or any Interested Person in respect of such proposed business or request, as applicable; and

(ii) "public disclosure" shall mean disclosure in a press release reported by the Dow Jones News Service, Associated Press or comparable national news service or in a document publicly filed by the Corporation with the SEC pursuant to Section 13, 14 or 15(d) of the Exchange Act.

SECTION 5. STOCKHOLDER NOMINATIONS INCLUDED IN THE CORPORATION'S PROXY MATERIALS (PROXY ACCESS).

(a) Subject to the terms and conditions of these Bylaws, the Corporation shall include in its proxy statement for any annual meeting of stockholders the name, together with the Required Information (as defined below), of any nominee properly submitted pursuant to this Section 5 (each, an "Access Nominee") provided that (A) a timely notice of such Access Nominee in proper written form (the "Access

Notice") is received by the Corporation by or on behalf of one or more stockholders who, at the time the Access Notice is received, satisfy the ownership and other requirements of this Section 5 (such stockholder or stockholders, the "Eligible Stockholder"); (B) the Eligible Stockholder expressly elects as a part of providing the Access Notice required by this Section 5 to have its nominee included in the Corporation's proxy materials pursuant to this Section 5; and (C) the Eligible Stockholder and the Access Nominee otherwise satisfy the requirements of this Section 5.

(b) For an Eligible Stockholder's Access Notice to be timely, such Access Notice must include the information specified in subsection (f) of this Section 5 and be received by the Corporate Secretary at the principal executive offices of the Corporation (i) not less than one hundred and twenty (120) days nor more than one hundred and fifty (150) days before the first anniversary of the date of the Corporation's proxy statement in connection with the previous year's annual meeting of stockholders or (ii) if no annual meeting was held in the previous year or the date of the applicable annual meeting has been changed by more than thirty (30) days from the date contemplated at the time of the previous year's proxy statement, not less than sixty (60) days before the date of the applicable annual meeting.

(c) For purposes of this Section 5, the "Required Information" that the Corporation shall include in its proxy statement is (i) the information concerning the Access Nominee and the Eligible Stockholder that, as determined by the Corporation, is required to be disclosed in a proxy statement filed pursuant to the proxy rules of the SEC, and (ii) if the Eligible Stockholder so elects, a Statement (as defined below). For the avoidance of doubt, and notwithstanding anything in these Bylaws to the contrary, the Corporation may in its sole discretion solicit against, and include in the proxy statement its own statements or other information relating to, any Eligible Stockholder and/or any Access Nominee, including any information provided to the Corporation with respect to the foregoing.

(d) The number of Access Nominees appearing in the Corporation's proxy materials with respect to an annual meeting of stockholders shall not exceed the greater of (i) two (2) and (ii) twenty percent (20%) of the number of directors in office as of the last day on which an Access Notice may be delivered pursuant to subsection (b) of this Section 5 (the "Final Proxy Access Nomination Date"), or if such amount is not a whole number, the closest whole number below 20% (the "Permitted Number"); provided, however, that the Permitted Number shall be reduced by (A) the number of director candidates who will be included in the Corporation's proxy materials with respect to the annual meeting as an unopposed (by the Corporation) nominee pursuant to any agreement, arrangement or other understanding with any stockholder or group of stockholders (other than any such agreement, arrangement or understanding entered into in connection with an acquisition of shares of capital stock of the Corporation, by such stockholder or group of stockholders, from the Corporation); (B) the number of directors in office as of the Final Proxy Access Nomination Date who were included in the Corporation's proxy statement as an Access Nominee for any of the three (3) preceding annual meetings and whose re-election at the upcoming annual meeting is being recommended by the Board of Directors; (C) the number of Access Nominees whom the Board of Directors itself decides to nominate for election at such annual meeting (each, a "Board Nominee"); (D) the number of Access Nominees who cease to satisfy the eligibility requirements of this Section 5; (E) the number of Access Nominees whose nomination is withdrawn by the Eligible Stockholder or who become unwilling to serve on the Board of Directors; and (F) the number of nominees for which the Corporation shall have received one or more notices that a stockholder intends to nominate such nominee(s) at the annual meeting pursuant to Section 4 of this Article I. In the event that one or more vacancies for any reason occurs on the Board of Directors at any time after the Final Proxy Access Nomination Date and before the date of the applicable annual meeting of stockholders and the Board of Directors resolves to reduce the size of the Board of Directors in connection therewith, the Permitted Number shall be calculated based on the number of directors in office as so reduced. In the event that the number of Access Nominees submitted by Eligible Stockholders pursuant to this Section 5 exceeds the Permitted Number, each Eligible Stockholder shall select one Access Nominee for inclusion in the Corporation's proxy materials until the Permitted Number is reached, with the selection going in the order of the amount (largest to smallest) of shares of the Corporation's stock eligible to vote in the election of directors each Eligible Stockholder disclosed as owned in the

ank=20250710-20250711088893

Access Notice submitted to the Corporation. If the Permitted Number is not reached after each Eligible Stockholder has selected one Access Nominee, this selection process shall continue as many times as necessary, following the same order each time, until the Permitted Number is reached.

(e) An Eligible Stockholder must have owned Net Long Shares representing in the aggregate at least three percent (3%) or more of the outstanding shares of the Corporation's stock eligible to vote in the election of directors continuously for at least three (3) years (such Net Long Shares held for the requisite period, the "Required Shares") as of both the date the Access Notice is received by the Corporation in accordance with this Section 5 and the record date for determining stockholders entitled to vote at the annual meeting and must continue to own the Required Shares through the annual meeting date. For purposes of satisfying the foregoing ownership requirement under this subsection (e), (i) the shares of stock of the Corporation owned by one or more stockholders, or by the person or persons who own shares of the Corporation's stock and on whose behalf any stockholder is acting, may be aggregated; provided that the number of stockholders and other persons whose ownership of shares is aggregated for such purpose shall not exceed twenty (20), and provided further that the group of stockholders shall have provided to the Corporate Secretary as a part of providing the Access Notice a written agreement executed by each of its members designating one of the members as the exclusive member to interact with the Corporation for purposes of this Section 5 on behalf of all members and authorized to act on behalf of all such members with respect to the nomination and matters related thereto, including withdrawal of the nomination, and (ii) a group of funds under common management and investment control shall be treated as one stockholder or person for this purpose. For the avoidance of doubt, Required Shares will qualify as such if and only if the beneficial owner of such shares as of the date of the Access Notice has itself individually beneficially owned such shares continuously for the three-year period ending on that date and through the other applicable dates referred to above (in addition to the other applicable requirements being met). No person may be a member of more than one group of persons constituting an Eligible Stockholder, and no shares may be deemed attributed to more than one Eligible Stockholder, under this subsection (e). If any Eligible Stockholder appears as a member of more than one group, it shall be deemed to be a member of the group that has the largest ownership position as reflected in the Access Notice.

(f) To be in proper written form, within the time period specified in subsection (b) of this Section 5 for providing the Access Notice, an Eligible Stockholder must provide the following information in writing to the Corporate Secretary:

(i) as to each Eligible Stockholder, the information and other disclosures required by clause (i) of Section 4(e) of this Article I;

(ii) as to each Access Nominee, the information and other disclosures required by clause (ii) of Section 4(e) of this Article I;

(iii) one or more written statements from the record holder of the Required Shares (and from each intermediary through which the Required Shares are or have been held during the requisite three-year holding period) verifying that, as of a date within seven (7) calendar days prior to the date the Access Notice is received by the Corporate Secretary, the Eligible Stockholder owns, and has owned continuously for the preceding three (3) years, the Required Shares, and the Eligible Stockholder's agreement to provide, within five (5) business days after the record date for the annual meeting, written statements from the record holder and intermediaries verifying the Eligible Stockholder's continuous ownership of the Required Shares through the record date;

(iv) a copy of the Schedule 14N that has been filed with the SEC as required by Rule 14a-18 under the Exchange Act;

(v) a written representation, signed by each Eligible Stockholder, that such Eligible Stockholder:

(A) acquired the Required Shares in the ordinary course of business and not with the intent to change or influence control of the Corporation, and does not presently have such intent;

(B) has not nominated and will not nominate for election to the Board of Directors at the annual meeting any person other than the Access Nominee(s) being nominated pursuant to this Section 5;

(C) has not engaged and will not engage in, and has not and will not be, a "participant" in another person's "solicitation" within the meaning of Rule 14a-1(l) under the Exchange Act, in support of the election of any individual as a director at the annual meeting other than its Access Nominee(s) or a Board Nominee;

(D) has not and will not distribute to any stockholder any form of proxy for the annual meeting other than the form distributed by the Corporation;

(E) intends to continue to own the Required Shares through the date of the annual meeting and whether it intends to hold such Required Shares for at least one year after the date of the annual meeting; and

(F) has provided and will provide facts, statements and other information in all communications with the Corporation and its stockholders that are or will be true and correct in all material respects and do not and will not omit to state a material fact necessary in order to make the statements made, in light of the circumstances under which they were made, not misleading;

(vi) an undertaking, signed by each Eligible Stockholder, that such Eligible Stockholder agrees to:

(A) assume all liability stemming from any legal or regulatory violation arising out of any communications by such Eligible Stockholder or any of such Eligible Stockholder's Access Nominees with the Corporation, its stockholders or any other person or out of the information that such Eligible Stockholder provided to the Corporation in connection with the nomination or election of directors;

(B) indemnify and hold harmless the Corporation and each of its directors, officers and employees individually against any liability, loss or damages in connection with any threatened or pending action, suit or proceeding, whether legal, administrative or investigative, against the Corporation or any of its directors, officers or employees arising out of: (1) the nomination submitted by such Eligible Stockholder pursuant to this Section 5 or any efforts by such Eligible Stockholder to elect any of its Access Nominees; or (2) any failure or alleged failure by such Eligible Stockholder or any of its Access Nominees to comply with, or any breach or alleged breach of, its or their obligations, agreements or representations under this Section 5;

(C) file with the SEC all solicitations and other communications relating to the annual meeting at which the Access Nominee will be nominated, regardless of whether any such filing is required under Regulation 14A of the Exchange Act or whether any exemption from filing is available for such solicitation or other communication under Regulation 14A of the Exchange Act; and

am1=20250711088940

(D) comply with all other applicable laws, rules and regulations with respect to any nomination or solicitation in connection with the annual meeting; and

(vii) if the Eligible Stockholder did not submit the name(s) of the Access Nominee(s) to the Nominating, Corporate Governance *and Public Policy Committee for consideration prior to submitting the Access Notice, a brief explanation as to why the Eligible* Stockholder elected not to do so.

(g) For the avoidance of doubt, the information and documents required by this Section 5 to be provided by the Eligible Stockholder shall be: (i) provided with respect to and executed by each group member, in the case of information applicable to group members; and (ii) provided with respect to the persons specified in Instruction 1 to Items 6(c) and (d) of Schedule 14N under the Exchange Act in the case of an Eligible Stockholder or group member that is an entity. The Access Notice shall be deemed submitted on the date on which all the information and documents referred to in this Section 5 (other than such information and documents contemplated to be provided after the date the Access Notice is provided) has been received by the Corporate Secretary.

(h) Each applicable person (including the Eligible Stockholder and any Access Nominee) shall update and supplement the Access Notice delivered and the information provided to the Corporation pursuant to this Section 5 and under any questionnaire, representation or agreement, if necessary, so that the information provided or required to be provided in such Access Notice shall continue to be true and correct (i) as of the record date for the applicable annual meeting and (ii) as of the date that is ten (10) business days prior to the date of such meeting (or any adjournment or postponement thereof), and such update and supplement must be received by the Corporate Secretary at the Corporation's principal executive offices not later than five (5) business days after the record date for such meeting (in the case of the update and supplement required to be made as of the record date), and not later than eight (8) business days prior to the date of such meeting (in the case of the update and supplement required to be made as of ten (10) business days prior to the meeting or any adjournment or postponement thereof). The obligation of an Eligible Stockholder, Access Nominee or other applicable person to provide information or an update pursuant to this Section 5 (including under any questionnaire, representation or agreement) shall not extend any applicable deadlines hereunder, enable or be deemed to permit such person to amend or update any nomination specified in the Access Notice after the deadlines hereunder have expired or limit the Corporation's rights with respect to any inaccuracies or other deficiencies in the Access Notice or other information provided by such person. A stockholder may not, after the last day on which an Access Notice would be timely under this Section 5, cure in any way any defect relating to the submission of a nomination.

(i) The Eligible Stockholder may provide to the Corporate Secretary, within the time period specified in subsection (b) of this Section 5 for providing the Access Notice, a written statement for inclusion in the Corporation's proxy statement for the annual meeting, not to exceed five hundred (500) words, in support of the Access Nominee's candidacy (the "Statement"). Notwithstanding anything to the contrary contained in this Section 5, the Corporation may omit from its proxy materials any information or Statement (or any portion thereof) that the Board of Directors, in good faith, believes: (i) would violate any applicable law, rule or regulation; (ii) is not true and correct in all material respects or omits to state a material fact necessary in order to make the statements made, in light of the circumstances under which they were made, not misleading; or (iii) directly or indirectly impugns the character, integrity, or personal reputation of, or directly or indirectly makes charges concerning improper, illegal or immoral conduct or associations, without factual foundation, with respect to, any person.

(j) The Corporation shall not be required to include, pursuant to this Section 5, an Access Nominee in its proxy materials, and need not present such Access Nominee for a vote (even if the Corporation has received proxies or votes in respect of such Access Nominee (which proxies or votes may also be disregarded)) if:

(i) the Eligible Stockholder has nominated, or the Corporation receives notice from the Eligible Stockholder that it intends to nominate, any individual for election to the Board of Directors at the annual meeting (other than such Access Nominee) pursuant to Section 4 of Article I, whether or not such notice is subsequently withdrawn or made the subject of a settlement with the Corporation;

(ii) the Eligible Stockholder who has nominated such Access Nominee has engaged in or is currently engaged in, or has been or is a "participant" in another person's, "solicitation" within the meaning of Rule 14a-1(l) under the Exchange Act in support of the election of any individual as a director at the annual meeting other than its Access Nominee(s) or a nominee whom the Board of Directors itself nominates for election at such annual meeting;

(iii) such Access Nominee is not independent under the Independence Standards, as determined by the Board of Directors;

(iv) such Access Nominee's election as a member of the Board of Directors would cause the Corporation to be in violation of these Bylaws, the Certificate of Incorporation, the rules of any stock exchange on which any of the Corporation's shares are traded or any other applicable law, rule or regulation;

(v) such Access Nominee is or has been, within the past three (3) years, an officer or director of a competitor, as defined in Section 8 of the Clayton Antitrust Act of 1914;

(vi) such Access Nominee is a named subject of a pending criminal proceeding (excluding traffic violations and other minor offenses) or has been convicted in such a criminal proceeding within the past ten (10) years;

(vii) such Access Nominee is subject to any order of the type specified in Rule 506(d) of Regulation D promulgated under the Securities Act of 1933 (together with the rules and regulations promulgated thereunder, in each case, as may be amended from time to time, the "Securities Act");

(viii) such Access Nominee or the Eligible Stockholder shall have provided information to the Corporation in respect to such nomination (including, without limitation, information contained in the Statement) that was untrue in any material respect or omitted to state a material fact necessary in order to make the statements made, in light of the circumstances under which they were made, not misleading, as determined by the Board of Directors;

(ix) the Eligible Stockholder or such Access Nominee otherwise breaches any of its or their obligations, agreements or representations under this Section 5;

(x) such Access Nominee was nominated for election to the Board of Directors pursuant to this Section 5 or Section 4 of Article I in any of the three (3) preceding annual meetings, and either withdrew, became ineligible or failed to receive at least twenty-five percent (25%) of the votes cast in such Access Nominee's election; or

(xi) the Eligible Stockholder or such Access Nominee ceases to satisfy the eligibility requirements of this Section 5, the Eligible Stockholder withdraws its nomination or such Access Nominee becomes unwilling or unavailable to serve on the Board of Directors.

(k) Notwithstanding anything to the contrary set forth herein, the Board of Directors, the Chair of the Board or the presiding person of the annual meeting shall have the authority to declare that a nomination of an Access Nominee by an Eligible Stockholder has not been properly brought before such meeting and may decline to allow such defective nomination to be presented for a vote (even if the

ank=20250710-202507110889

Corporation has received proxies or votes in respect of such Access Nominee (which proxies and votes may also be disregarded)), if the Board of Directors or such person determines that such Access Nominee and/or the applicable Eligible Stockholder has breached its or their obligations, agreements or representations under this Section 5 or otherwise failed to comply with the requirements set forth in these Bylaws, the Certificate of Incorporation or any applicable law, rule or regulation.

(l) Unless otherwise required by applicable law, if none of the Eligible Stockholder(s) who submitted an Access Notice appear at the applicable annual meeting, or send a qualified representative, to present the Access Nominee(s) set forth in the Access Notice, then such nomination(s) may be disregarded, even if the Corporation has received proxies or votes in respect of such Access Nominee(s) (which proxies and votes may also be disregarded). If any nomination is disregarded pursuant to this Section 5, the Corporation may communicate to its stockholders, including, without limitation, by amending or supplementing its proxy statement or ballot or form of proxy, that any such Access Nominee will not be included as a nominee in the proxy statement or on any ballot or form of proxy and will not be voted on at the meeting.

SECTION 6. VOTING RIGHTS; PROXIES; QUORUM.

(a) Each stockholder entitled to vote in accordance with the terms of the Certificate of Incorporation, these Bylaws or the General Corporation Law of Delaware (the "DGCL") shall be entitled to one vote, in person or by proxy, for each share of stock entitled to vote held by such stockholder, unless otherwise provided by law or the Certificate of Incorporation.

(b) Except as provided in the Certificate of Incorporation with respect to the right of holders of preferred stock of the Corporation, directors shall be elected by a majority of the votes cast with respect to that director's election at any meeting for the election of directors at which a quorum is present; provided that if the number of nominees at any such meeting exceeds the number of directors to be elected at the meeting, the directors shall be elected by the vote of a plurality of the shares represented in person or by proxy at any such meeting and entitled to vote on the election of directors. For purposes of this Section 6(b), a majority of the votes cast means that the number of votes cast "for" a director's election exceed the number of votes cast "against" that director's election (with abstentions and broker non-votes not counted as a vote cast either "for" or "against" such director's election). If an incumbent director fails to receive the requisite majority support , such director shall promptly tender his or her resignation to the Board of Directors, subject to acceptance by the Board of Directors. The Nominating, Corporate Governance and Public Policy Committee will make a recommendation to the Board of Directors on whether to accept or reject the resignation, or whether other action should be taken. The Board of Directors will act on the tendered resignation, taking into account the Nominating, Corporate Governance and Public Policy Committee's recommendation, and publicly disclose its decision and the rationale behind it within ninety (90) days from the date of the certification of the election results. The director who tenders his or her resignation will not participate in the decision of the Board of Directors or the recommendation of the Nominating, Corporate Governance and Public Policy Committee.

(c) All other matters presented to stockholders at a meeting at which a quorum is present shall be decided by the affirmative vote of a majority of shares present in person or represented by proxy at the meeting and entitled to vote on the matter at such meeting, unless a different vote is required by these Bylaws, the Certificate of Incorporation or applicable law, rules or regulations.

(d) At any meeting of stockholders, the holders of a majority of the shares of the Corporation entitled to vote at the meeting, present in person or represented by proxy, shall constitute a quorum. When a quorum is once present to organize a meeting, it shall not be broken by the subsequent withdrawal of any stockholders or their proxies. Any meeting at which a quorum is not present may be adjourned from time to time to some other time in the manner provided in Section 8 of this Article I. At an adjourned meeting at which a quorum is present or represented, any business may be transacted that might have been transacted at the original meeting.

(e) Any stockholder directly or indirectly soliciting proxies from other stockholders in respect of any proposal of business, including any nomination, must use a proxy card color other than white, which shall be reserved for exclusive use by the Board of Directors.

SECTION 7. NOTICES OF MEETINGS. Written notice stating the date, time and place, if any, and/or means of remote communication by which stockholders and proxyholders may be deemed to be present in person and vote at such meeting and, in the case of a special meeting of stockholders, the purpose or purposes for which the meeting has been called, shall be given by the Corporate Secretary (or such other officer as the Board of Directors may designate) to each stockholder entitled to vote at such meeting at least ten (10) days but not more than sixty (60) days before the date of such meeting. Unless otherwise required by applicable law, the Certificate of Incorporation or these Bylaws, notice may be given in writing directed to the stockholder's mailing address or by electronic transmission to the stockholder's email address, in each case, as such address appears on the Corporation's records, or by such other form of electronic transmission consented to by the stockholder in accordance with applicable law, and shall be deemed given: (a) if mailed, when deposited in the U.S. mail, postage prepaid; (b) if delivered by courier service, the earlier of when the notice is received or left at such stockholder's address; or (c) if given by electronic mail, when directed to such stockholder's electronic mail address (unless the stockholder has notified the Corporation in writing or by electronic transmission of an objection to receiving notice by electronic mail or such notice is prohibited by Section 232(e) of the DGCL). Any notice to stockholders given by the Corporation shall be effective if given by a single written notice to stockholders who share an address if consented to by the stockholders at that address to whom such notice is given. Stockholders not entitled to vote shall not be entitled to receive notice of any meetings except as otherwise provided by law. Attendance of a person at a meeting shall constitute a waiver of notice of such meeting, except when the person attends a meeting solely for the express purpose of objecting, at the beginning of the meeting, to the transaction of any business because the meeting is not lawfully called or convened.

SECTION 8. ADJOURNMENTS AND POSTPONEMENTS.

(a) Any meeting of stockholders may be adjourned from time to time for any reason, whether or not a quorum is present, by the Board of Directors, the Chair of the Board or the presiding person at the meeting, to reconvene at the same or some other place and/or means of remote communication, and notice need not be given of any such adjourned meeting if the date, time and place and/or means of remote communication for the meeting are announced at the meeting of stockholders at which the adjournment is taken or are provided in any other manner permitted by applicable law; provided, however, that if the adjournment is for more than thirty (30) days, or if after the adjournment the Board of Directors fixes a new record date for determining the stockholders entitled to vote at the adjourned meeting of stockholders, then a notice of the adjourned meeting shall be given to each stockholder of record as of the new record date for determining the stockholders entitled to notice of the adjourned meeting of stockholders under Section 7 of this Article I. At the adjourned meeting of stockholders, the Corporation may transact any business which might have been transacted at the original meeting of stockholders.

(b) In addition, subject to applicable law, any meeting of stockholders, including any special meeting requested by stockholders pursuant to Section 3 of this Article I, may be postponed, rescheduled or cancelled by the Board of Directors at any time before such meeting has been convened.

(c) In no event shall any adjournment or postponement of a meeting of stockholders (whether or not already publicly noticed) or the announcement thereof commence a new time period (or extend any time period) for the giving of a stockholder's notice pursuant to Sections 4 or 5 of this Article I.

SECTION 9. CONDUCT OF MEETINGS.

(a) The Board of Directors may adopt by resolution such rules and regulations for the conduct of the meeting of stockholders as it shall deem appropriate. Except to the extent inconsistent with

ank=20250710:20250711088065

such rules and regulations as adopted by the Board of Directors, the person presiding over any meeting of stockholders shall have the right and authority to convene and to adjourn the meeting, to prescribe such rules, regulations and procedures and to do all such acts as, in the judgment of such presiding person, are appropriate for the proper conduct of the meeting. Such authority, rules, regulations or procedures, whether adopted by the Board of Directors or prescribed by the presiding person of the meeting, may include, without limitation, the following: (i) establishing an agenda or order of business for the meeting; (ii) establishing rules and procedures for maintaining order at the meeting and the safety of those present; (iii) limiting attendance at or participation in the meeting to stockholders of record of the Corporation, their duly authorized and constituted proxies or such other persons as the presiding person of the meeting shall determine; (iv) imposing restrictions on entry to the meeting after the time fixed for the commencement thereof; (v) imposing limitations on the time allotted to questions or comments by participants; (vi) removing any stockholder or any other individual who refuses to comply with the meeting rules, regulations or procedures as set forth by the Board of Directors or the presiding person; and (vii) restricting the use of audio/video recording devices and cell phones at the meeting. The presiding person at any meeting of stockholders, in addition to making any other determinations that may be appropriate to the conduct of the meeting, shall, if the facts warrant, determine and declare to the meeting that a matter or business was not properly brought before the meeting and shall not be transacted or considered.

(b) Meetings of stockholders shall be presided over by the Chair of the Board, or in the absence of the Chair of the Board, by any individual designated by the Board of Directors.

ARTICLE II
DIRECTORS

SECTION 1. **GENERAL POWERS**. The business and affairs of the Corporation shall be managed under the direction of the Board of Directors. In addition to the powers and authorities expressly conferred to the Board of Directors by these Bylaws, the Board of Directors may exercise all such powers of the Corporation and do all such lawful acts and things as are not by law or the Certificate of Incorporation or by these Bylaws required to be exercised or done by the stockholders.

SECTION 2. **QUORUM**. One-third of the total number of the directors (rounded upwards, if necessary, to the next whole number) in office shall constitute a quorum for the transaction of business at any meeting of the Board of Directors, but in the absence of a quorum a majority of those present (or if only one is present, then that one) may adjourn the meeting without notice until such time as a quorum is present.

SECTION 3. **ORGANIZATION**. Meetings of the Board of Directors shall be presided over by the Chair of the Board, or in the absence of the Chair of the Board, by any director designated by the Board of Directors at the meeting.

SECTION 4. **REGULAR MEETINGS**. Regular meetings of the Board of Directors may be held without notice at such date, time and place, either within or without the State of Delaware, or by such means of remote communication as shall from time to time be determined by the Board of Directors.

SECTION 5. **SPECIAL MEETINGS; NOTICE**. Special meetings of the Board of Directors may be called at any time by the Corporate Secretary at the direction of the Chair of the Board, the Chief Executive Officer or a majority of the directors then in office. Special meetings of the independent directors of the Board of Directors may be called at any time by the Corporate Secretary at the direction of the Lead Independent Director or a majority of the independent directors then in office. Notice of the date, time and place, if any, and/or means of remote communication of each special meeting shall be given to each applicable director before the start of the meeting at such an interval as the person or persons calling such meeting deem necessary or appropriate in the circumstances. Such notice may be given personally or by telephone (including, without limitation, to a representative of the director or to the director's electronic message system) or by electronic transmission or other written communication

delivered to the residence, office or other established address of the director. A written waiver of notice signed by the director entitled to notice, whether before or after the time stated therein, shall be deemed equivalent to notice. Attendance of a director at a meeting shall constitute a waiver of notice of such meeting, except when the director attends a meeting for the express purpose of objecting, at the beginning of the meeting, to the transaction of any business because the meeting is not lawfully called or convened. Neither the business to be transacted at, nor the purpose of, any regular or special meeting of the directors need be specified in any written waiver of notice.

SECTION 6. **ACTION WITHOUT A MEETING**. Any action required or permitted to be taken at any meeting of the Board of Directors or of any committee thereof may be taken without a meeting if all members of the Board of Directors or committee, as the case may be, consent thereto in writing or by electronic transmission and the writing or writings or electronic transmission or transmissions are filed with the minutes of proceedings of the Board of Directors or committee. Such filing shall be in paper form if the minutes are maintained in paper form and shall be in electronic form if the minutes are maintained in electronic form.

SECTION 7. **PRESENCE AT A MEETING**. Members of the Board of Directors, or of any committee thereof, may participate in meetings by means of conference telephone or other communications equipment by means of which all persons participating in the meeting can hear each other, and such participation shall constitute presence in person at such meeting.

SECTION 8. **COMPENSATION OF DIRECTORS**. Directors may receive compensation for services to the Corporation in their capacities as directors or otherwise in such manner and in such amounts as may be fixed from time to time by resolution of the Board of Directors.

ARTICLE III
COMMITTEES

SECTION 1. The Board of Directors may designate one or more committees, each committee to consist of one or more of the directors of the Corporation. The Board of Directors may designate one or more directors as alternate members of any committee, who may replace any absent or disqualified member at any meeting of the committee. Any such committee, to the extent provided in the resolutions creating the committee and to the extent permitted by applicable law, shall have and may exercise all the powers and authority of the Board of Directors in the business and affairs of the Corporation. Such committee or committees shall have such name or names as may be determined from time to time by resolution adopted by the Board of Directors.

SECTION 2. The following provisions shall apply to all committees of the Board of Directors unless otherwise provided by the Board of Directors:

(a) The Board of Directors shall appoint the members and chairperson of each committee. The members shall serve until their successors are appointed and qualified or until the committee is dissolved by a majority of the Board of Directors or such member's earlier death, resignation or removal. The chairperson of the committee shall, if present, preside at all meetings of a committee.

(b) Each committee shall keep regular minutes of its proceedings and shall report its material actions and recommendations to the Board of Directors at the next meeting of the Board of Directors following each committee meeting.

(c) The Board of Directors shall have the power at any time to change the membership of a committee, and any member of a committee may be removed at any time with or without cause by resolution adopted by a majority of the Board of Directors.

ank=20250710.20250711108897

(d) One-third of the members then serving on a committee (rounded upwards, if necessary, to the next whole number) shall constitute a quorum for the transaction of business at any meeting thereof, and the affirmative vote of a majority of the members present at a meeting at which a quorum is present or the unanimous written consent of all members thereof shall be the act of such committee.

ARTICLE IV
OFFICERS

SECTION 1. **GENERAL**. The officers of the Corporation shall be elected by the Board of Directors and shall consist of a Chair of the Board who shall be a member of the Board of Directors, a Chief Executive Officer, a chief financial officer ("Chief Financial Officer"), a president ("President"), one or more executive vice presidents and/or senior vice presidents, a treasurer ("Treasurer"), a Corporate Secretary and such other officers as in the judgment of the Board of Directors may be necessary or desirable. Vice presidents, assistant corporate secretaries or assistant treasurers may be appointed as in the judgment of the Chief Executive Officer may be necessary or desirable, subject to the oversight of the Board of Directors. Unless otherwise designated by the Board of Directors, the Chief Executive Officer shall also be the President of the Corporation. Any one person may hold any number of offices of the Corporation unless specifically prohibited by applicable law.

SECTION 2. **TERM OF OFFICE**. Unless otherwise provided in the resolution of the Board of Directors electing such officer, each officer shall hold office until his or her successor shall have been duly elected and qualified or until his or her earlier death, resignation or removal. The Board of Directors may remove any officer with or without cause at any time. Any such removal shall be without prejudice to the contractual rights of such officer, if any, with the Corporation, and the election of an officer shall not of itself create contractual rights.

SECTION 3. **POWERS AND DUTIES**. The officers of the Corporation shall have such powers and perform such duties as shall be stated in these Bylaws or in a resolution of the Board of Directors which is not inconsistent with these Bylaws and, to the extent not so stated, as generally pertain to their respective offices, subject to the control of the Board of Directors. In case any officer is absent, or for any other reason that the Board of Directors may deem necessary or desirable, the Chief Executive Officer or the Board of Directors may delegate for the time being the powers or duties of such officer to any other officer or to any director. The Corporate Secretary shall have the duty to record the actions of the stockholders and Board of Directors in minutes retained under his or her direction. Any officer of the Corporation may sign any deeds, mortgages, bonds, contracts or other instruments that the Board of Directors or a committee thereof has authorized to be executed or are in the ordinary course of business of the Corporation. The Chief Executive Officer, President, Chief Financial Officer, Treasurer or the Corporate Secretary may vote, either in person or by proxy, all the shares of the capital stock of any company that the Corporation owns or is otherwise entitled to vote at any and all meetings of the stockholders of such company and shall have the power to accept or waive notice of such meetings.

ARTICLE V
RESIGNATIONS; FILLING OF VACANCIES

SECTION 1. **RESIGNATIONS**. Any director, member of a committee or officer may resign at any time. Such resignations shall be made in writing and shall take effect at the time specified therein and, if no time be specified, at the time of the receipt of such resignation by the Chair of the Board, the Chief Executive Officer or the Corporate Secretary. The acceptance of the resignation shall not be necessary to make it effective.

SECTION 2. **FILLING OF VACANCIES**. If any office of the Corporation becomes vacant, the vacancy may be filled by the Board of Directors. Any vacancy on the Board of Directors that results from an increase in the number of directors or for any other reason may be filled by a majority of the directors then in office, although less than a quorum, or by a sole remaining director. A person appointed to fill a

vacancy shall hold office for the unexpired term and until his or her successor shall have been elected and qualified or until his or her earlier death, resignation or removal.

ARTICLE VI
CAPITAL STOCK

SECTION 1. **CERTIFICATES OF STOCK**. The Corporation is authorized to issue shares of capital stock of the Corporation in certificated or in uncertificated form. The shares of the capital stock of the Corporation shall be registered on the books of the Corporation in the order in which they shall be issued. Any certificates for shares of the common stock, and any other shares of capital stock of the Corporation represented by certificates, shall be numbered and shall be signed by two (2) authorized officers of the Corporation. Any of or all the signatures on these certificates may be facsimile or by electronic signature to the extent permitted under the DGCL. In case any officer, transfer agent or registrar who has signed or whose facsimile signature has been placed upon a certificate shall have ceased to be such officer, transfer agent or registrar before such certificate is issued, it may be issued by the Corporation with the same effect as if he or she were such officer, transfer agent or registrar at the date of issue. Within a reasonable time after the issuance or transfer of uncertificated stock, the Corporation shall send, or caused to be sent, to the record owner thereof a written statement of the information required by law to be on certificates.

SECTION 2. **LOST, STOLEN OR DESTROYED CERTIFICATES**. The Board of Directors may direct a new certificate or certificates or uncertificated shares to be issued in place of any certificate or certificates previously issued by the Corporation and alleged to have been lost, stolen or destroyed, upon the making of an affidavit of that fact by the person claiming that the certificate of stock has been lost, stolen or destroyed. When authorizing such issuance of a new certificate or certificates or uncertificated shares, the Board of Directors may, in its discretion and as a condition precedent to the issuance thereof, require the owner of the lost, stolen or destroyed certificate or certificates, or such owner's legal representative, to indemnify the Corporation in such manner as the Board of Directors shall require and to give the Corporation a bond, in such form and amount as the Board of Directors may direct, as indemnity against any claim that may be made against the Corporation with respect to the certificate or certificates alleged to have been lost, stolen or destroyed.

SECTION 3. **TRANSFER OF SHARES**. Transfers of shares shall be made upon the books of the Corporation (i) only by the holder of record thereof, or by a duly authorized agent, transferee or legal representative and (ii) in the case of certificated shares, upon the surrender to the Corporation of the certificate or certificates for such shares.

SECTION 4. **RECORD DATE**. For the purpose of determining stockholders entitled to notice of or to vote at any meeting of stockholders or any adjournment thereof, or for the purpose of determining stockholders entitled to receive payment of any dividend or allotment of any rights, or for the purpose of any other action, the Board of Directors may fix, in advance, a date as the record date for any such determination of stockholders. Such date shall not be more than sixty (60) nor less than ten (10) days before the date of such meeting, nor more than sixty (60) days prior to any other action; provided that if no such date has been fixed by the Board of Directors then such date shall be (a) the day next preceding the day on which notice is given, or, if notice is waived, at the close of business on the day next preceding the day on which the meeting is held, for purposes of determining the stockholders entitled to notice of and to vote at a meeting of shareholders or (b) the day on which the Board of Directors adopts the resolution relating to such action for such other purposes. When a determination of stockholders of record entitled to notice of or to vote at any meeting of stockholders has been made as provided in this Section

ank=20250710-20250711088898

4, such determination shall apply to any adjournment thereof, unless the Board of Directors may fix a new record date under this Section 4 for the adjourned meeting.

SECTION 5. **DIVIDENDS**. Dividends upon the capital stock of the Corporation may be declared by the Board of Directors at any regular or special meeting as provided by law and the Certificate of Incorporation.

ARTICLE VII
AMENDMENTS

Except as otherwise provided herein, the Board of Directors shall have the power to adopt, amend or repeal these Bylaws of the Corporation by the affirmative vote of a majority of the directors present at any meeting at which a quorum is present or by unanimous written consent in lieu of a meeting. These Bylaws may be amended or repealed by the affirmative vote of a majority of shares present in person or by proxy and entitled to vote on the matter at any regular meeting of the stockholders or any special meeting of the stockholders, in each case if notice of such proposed amendment or repeal is contained in the notice of such meeting.

ARTICLE VIII
MISCELLANEOUS PROVISIONS

SECTION 1. **SEAL**. The corporate seal, if any, shall have the name of the Corporation inscribed thereon and shall be in such form as may be approved from time to time by the Board of Directors. Such seal may be used by causing it or a facsimile thereof to be impressed or affixed or otherwise reproduced. The Corporate Secretary shall have the custody of the seal of the Corporation and shall affix the same to all instruments requiring it and may attest the same.

SECTION 2. **FISCAL YEAR**. The fiscal year of the Corporation shall be the calendar year unless otherwise determined by resolution of the Board of Directors.

SECTION 3. **ELECTRONIC TRANSMISSION AND SIGNATURES**.

(a) When used in these Bylaws, the terms "written" and "in writing" shall include any "electronic transmission," as defined in Section 232(c) of the DGCL, including, without limitation, any electronic mail or other electronic message.

(b) Unless otherwise required by applicable law, whenever the Certificate of Incorporation or these Bylaws require or permit a signature, such signature may be a manual, facsimile, conformed or electronic signature.

SECTION 4. **REGISTERED OFFICE**. Except as otherwise determined by the Board of Directors, the registered office shall be established and maintained at the office of The Corporation Trust Company, in the City of Wilmington and County of New Castle, and such company shall be the registered agent of the Corporation.

SECTION 5. **FORUM**.

(a) Unless the Corporation consents in writing to the selection of an alternative forum, the sole and exclusive forum for (i) any derivative action or proceeding brought on behalf of the Corporation, (ii) any action asserting a claim for or based on a breach of a fiduciary duty owed by any current or former director or officer or other employee of the Corporation to the Corporation or the Corporation's stockholders, including a claim alleging the aiding and abetting of such a breach of fiduciary duty, (iii) any action asserting a claim arising pursuant to any provision of the DGCL or the Certificate of Incorporation or these Bylaws (in each case, as they may be amended from time to time), (iv) any action to interpret,

apply, enforce or determine the validity of the Certificate of Incorporation or Bylaws or (v) any other action asserting a claim governed by the internal affairs doctrine or that is otherwise an "internal corporate claim" as defined in Section 115 of the DGCL shall be, to the fullest extent permitted by applicable law, the Court of Chancery in the State of Delaware (or, if the Court of Chancery in the State of Delaware does not have jurisdiction, the federal district court for the District of Delaware).

(b) Unless the Corporation consents in writing to the selection of an alternative forum, to the fullest extent permitted by applicable law, the federal district courts of the United States shall be the sole and exclusive forum for any claim arising under the Securities Act; provided, however, that if the foregoing provisions of this Section 5(b) are, or the application of such provisions to any person or any circumstance is, illegal, invalid or unenforceable, the Court of Chancery of the State of Delaware shall be the sole and exclusive state court forum for any claim arising under the Securities Act.

(c) Notwithstanding anything to the contrary in these Bylaws, the foregoing provisions of this Section 5 shall not apply to any claim seeking to enforce any liability, obligation or duty created by the Exchange Act to the extent such application would be contrary to law.

(d) If any action the subject matter of which is within the scope of this Section 5 is filed in a court other than the exclusive forum prescribed by this Section 5 (a "Foreign Action") in the name of any stockholder, such stockholder shall be deemed to have consented to: (x) the personal jurisdiction of the exclusive forum prescribed by this Section 5 in connection with any action brought in any such court to enforce this Section 5 (an "Enforcement Action"), and (y) having service of process made upon such stockholder in any such Enforcement Action by service upon such stockholder's counsel in the Foreign Action as agent for such stockholder. Any person or entity purchasing or otherwise acquiring any interest in shares of capital stock of the Corporation shall be deemed to have notice of and consented to this Section 5.

SECTION 6. SEVERABILITY. If any provision or provisions of these Bylaws shall be held to be invalid, illegal or unenforceable for any reason whatsoever: (a) the validity, legality and enforceability of the remaining provisions of these Bylaws (including, without limitation, each portion of any paragraph containing any such provision held to be invalid, illegal or unenforceable that is not itself held to be invalid, illegal or unenforceable) shall not in any way be affected or impaired thereby; and (b) to the fullest extent possible, the provisions of these Bylaws (including, without limitation, each such portion of any paragraph containing any such provision held to be invalid, illegal or unenforceable) shall be construed so as to give effect to the intent manifested by the provision held invalid, illegal or unenforceable.

10-20250711088996
ank=202507

EXHIBIT 4.2

BAXTER INTERNATIONAL INC.

DESCRIPTION OF SECURITIES REGISTERED PURSUANT TO SECTION 12 OF THE SECURITIES EXCHANGE ACT OF 1934

AS OF DECEMBER 31, 2024

The following is a summary description of each class of securities of Baxter International Inc. (the "Company") that is registered under Section 12 of the Securities and Exchange Act of 1934, as amended, as of December 31, 2024, consisting of (1) our Common Stock, (2) our 1.3% Senior Notes due 2025, and (3) our 1.3% Senior Notes due 2029.

In this summary, when we refer to the "Company," "we," "us" or "our" or when we otherwise refer to ourselves, we mean Baxter International Inc., excluding the Company's subsidiaries, unless otherwise expressly stated or as the context requires; all references to "common stock" refer only to common stock issued by the Company and not to any common stock issued by any subsidiary.

DESCRIPTION OF COMMON STOCK

The following is a brief description of the material terms of the Company's common stock. The following summary does not purport to be complete and is qualified in its entirety by reference to the pertinent sections of the Company's Amended and Restated Certificate of Incorporation, as amended (the "Certificate of Incorporation"), the Company's Bylaws, as amended (the "Bylaws"), which are exhibits to the Annual Report of which this exhibit is a part, and the provisions of the General Corporation Law of the State of Delaware (the "DGCL"). We encourage you to read the Certificate of Incorporation and Bylaws and the applicable provisions of the General Corporation Law of Delaware for additional information.

Authorized Capital Shares

Under our Certificate of Incorporation, we have authority to issue 2,100,000,000 shares of capital stock, consisting of 2,000,000,000 shares of common stock, par value $1.00 per share, and 100,000,000 shares of preferred stock, no par value.

Common Stock

Dividend Rights

Subject to preferences that may apply to any shares of preferred stock outstanding at the time, the holders of our common stock are entitled to receive dividends out of funds legally available if our board of directors, in its discretion, determines to issue dividends and then only at the times and in the amounts that our board of directors may determine. The ability of our board of directors to declare and pay dividends on our common stock is subject to the laws of the state of Delaware and the availability of funds.

Voting Rights

Each holder of our common stock is entitled to one vote for each share of record held on all matters submitted to a vote of stockholders, except as otherwise required by law and subject to the rights and preferences of the holders of any outstanding shares of our preferred stock. We have not provided for cumulative voting for the election of directors in our Certificate of Incorporation.

No Preemptive or Similar Rights

Our common stock is not entitled to preemptive rights, and is not subject to conversion, redemption or sinking fund provisions.

Right to Receive Liquidation Distributions

Upon our liquidation, dissolution or winding-up, the assets legally available for distribution to our stockholders would be distributable ratably among the holders of our common stock and any participating preferred stock outstanding at that time, subject to prior satisfaction of all outstanding debt and liabilities.

The rights, preferences, and privileges of the holders of common stock are subject to, and may be adversely affected by, the rights of the holders of any series of preferred stock that we may designate and issue in the future. As of the date of this prospectus, there are no shares of preferred stock outstanding.

Section 203 of the DGCL

Baxter is subject to the provisions of Section 203 of the DGCL. In general, Section 203 prohibits a publicly held Delaware corporation from engaging in a business combination with an interested stockholder for a period of three years after the date of the transaction in which the person became an interested stockholder, unless the business combination is approved in a prescribed manner or a certain level of stock is acquired upon consummation of the transaction in which the person became an interested stockholder. A business combination includes, among other things, a merger, asset sale or a transaction

ank=0000950170-25-071089

resulting in a financial benefit to the interested stockholder. Subject to certain exceptions, an interested stockholder is a person who, together with affiliates and associates, owns (or, in certain cases, within three years prior, did own) 15% or more of the corporation's outstanding voting stock. Under Section 203 of the DGCL, a business combination between Baxter and an interested stockholder is prohibited during the relevant three-year period unless it satisfies one of the following conditions:

- prior to the time the stockholder became an interested stockholder, the Baxter board of directors approved either the business combination or the transaction that resulted in the stockholder becoming an interested stockholder;
- upon consummation of the transaction that resulted in the stockholder becoming an interested stockholder, the interested stockholder owned at least 85% of Baxter's voting stock outstanding at the time the transaction commenced (excluding, for purposes of determining the number of shares outstanding, shares owned by persons who are directors and officers); or
- the business combination is approved by the Baxter board of directors and authorized at an annual or special meeting of the stockholders by the affirmative vote of at least 66 2/3% of outstanding voting stock that is not owned by the interested stockholder.

Certain Anti-Takeover Matters

The Certificate of Incorporation and Bylaws include a number of provisions that may have the effect of encouraging persons considering unsolicited tender offers or other unilateral takeover proposals to negotiate with the Baxter board of directors rather than pursue non-negotiated takeover attempts. These provisions include:

Board of Directors

Vacancies and newly created seats on the board of directors may only be filled by the board of directors. Subject to limitations contained in the Certificate of Incorporation, only the board of directors may determine the number of directors on the board of directors. The inability of stockholders to determine the number of directors or to fill vacancies or newly created seats on the board of directors makes it more difficult to change the composition of the board of directors, but these provisions promote a continuity of existing management.

Advance Notice Requirements

The Bylaws establish advance notice procedures with regard to stockholder proposals and nomination of candidates for election as directors to be brought before meetings of Baxter stockholders. These procedures provide that notice of such stockholder proposals and nominations must be timely given in writing to the corporate secretary prior to the meeting at which the action is to be taken. Generally, to be timely, notice must be received at the principal executive offices of Baxter (a) in the case of proposals and nominations (other than nominations under our proxy access bylaw) proposed to be brought before an annual meeting, not less than 90 days nor more than 120 days prior to the first anniversary date of the annual meeting for the preceding year. The notice must contain certain information specified in the Bylaws and (b) in the case of nominations proposed to be brought before a special meeting called by the board of directors for the purpose of electing directors, not later than the close of business on the 10th day following the day on which notice of the special meeting was mailed or public disclosure of the date of meeting was made, whichever occurs first.

Proxy Access

The Bylaws provide that eligible stockholders can nominate candidates for election to the board of directors if such stockholders comply with the requirements contained in our Bylaws within the designated time periods. Generally, under the proxy access provisions of our Bylaws, any stockholder (or group of up to 20 stockholders) who has continuously held of record for at least three years Net Long Shares (as

defined below) representing 3% or more of our outstanding common stock may nominate up to two individuals or 20% of our board of directors, whichever is greater, as director candidates for election to the board of directors, and require us to include their nominees in our annual meeting proxy statement if the stockholders and nominees satisfy the requirements contained in our Bylaws. "Net Long Shares" is defined as the number of shares beneficially owned, directly or indirectly, by a stockholder that constitute such stockholder's "net long position" as defined in Rule 14e-4 under the Exchange Act, subject to certain exceptions in our Bylaws. These procedures provide that notice of these nominees must be timely given in writing to the corporate secretary prior to the meeting at which the action is to be taken. Generally, to be timely, notice must be received at the principal executive offices of Baxter no earlier than the close of business 150 calendar days and no later than the close of business 120 calendar days before the first anniversary of the date of our proxy statement in connection with the previous year's annual meeting. The notice must contain certain information specified in the Bylaws.

Special Meetings of Stockholders

The Bylaws provide that special meetings of the stockholders may be called by the board of directors, the chair of the board, the chief executive officer or the corporate secretary upon receipt of a request in proper written form from one or more stockholders who have continuously held of record for at least one year Net Long Shares representing at least 15% of our outstanding common stock entitled to vote at the meeting. The Bylaws also impose certain procedural requirements on stockholders seeking to request a special meeting, including requirements related to the information that must be included in any special meeting request and the timing of such requests in order to prevent duplicative or unnecessary meetings.

Stockholder Action By Written Consent

The Certificate of Incorporation permits any stockholder action required or permitted to be taken by a vote of the stockholders at an annual or special meeting to be taken without a meeting, without prior notice and without a vote if written consents setting forth the action so taken and signed by the holders of record of the outstanding shares of our common stock having not less than the minimum number of votes that would be necessary to authorize or take such action at a meeting at which all shares entitled to vote thereon were present and voted are delivered to Baxter in accordance with the procedures set forth in the Certificate of Incorporation and applicable law. The Certificate of Incorporation imposes certain procedural requirements and limitations on stockholders seeking to authorize a stockholder action by written consent, including a requirement that a stockholder of record must first submit a written request to have the board of directors fix a record date for such action that is signed by one or more stockholders who have continuously held of record for at least one year Net Long Shares representing at least 25% of our outstanding common stock entitled to vote on the matter as well as other requirements related to timing, subject matter, the manner of solicitation and delivery and effectiveness of written consents.

Amendment of Certificate of Incorporation and Bylaws

Our Certificate of Incorporation may be amended pursuant to Section 242 of the DGCL. Our Bylaws may be amended (a) by the board of directors by the affirmative vote of a majority of at which a quorum is present or by unanimous written consent in lieu of a meeting or (b) by stockholders by the affirmative vote of a majority of shares present in person or by proxy and entitled to vote on the matter at annual or special meeting of the stockholders at which a quorum is present or in accordance with the procedures for stockholder action by written consent.

Blank Check Preferred Stock

The Certificate of Incorporation provides for 100,000,000 authorized shares of preferred stock. The existence of authorized but unissued shares of preferred stock may enable the board of directors to render more difficult or to discourage an attempt to obtain control of Baxter by means of a merger, tender offer, proxy contest or otherwise. For example, if in the due exercise of its fiduciary obligations, the board

ank=20250710-20250711108901

of directors were to determine that a takeover proposal is not in the best interests of Baxter or otherwise determines it is in the best interests of Baxter to issue preferred stock, the board of directors could cause shares of preferred stock to be issued without stockholder approval in one or more private offerings or other transactions that might dilute the voting or other rights of the proposed acquirer or insurgent stockholder or stockholder group. In this regard, the Certificate of Incorporation grants the board of directors broad power to establish the rights and preferences of authorized and unissued shares of preferred stock. The issuance of shares of preferred stock could decrease the amount of earnings and assets available for distribution to holders of shares of common stock, as dividends payable to preferred stockholders are typically senior to those that may be declared on shares of common stock. The issuance may also adversely affect the rights and powers, including voting rights, of such holders and may have the effect of delaying, deterring or preventing a change in control. The board of directors currently does not intend to seek stockholder approval prior to any issuance of shares of preferred stock, unless otherwise required by law.

Listing

Our common stock is listed on the New York Stock Exchange and trades under the symbol "BAX".

Transfer Agent

The transfer agent for our common stock is Computershare Trust Company, N.A.

We will distribute a prospectus supplement with regard to each issue of common stock. Each prospectus supplement will describe the specific terms of the common stock offered through that prospectus supplement.

Preferred Stock

Under our Certificate of Incorporation, our board of directors is authorized to issue shares of preferred stock in one or more series. To establish a series of preferred stock, our board of directors must set the terms thereof. We may sell shares of our preferred stock, no par value, in one or more series. In a prospectus supplement, we will describe the specific designation, the aggregate number of shares offered, the dividend rate or manner of calculating the dividend rate, the dividend periods or manner of calculating the dividend periods, the ranking of the shares of the series with respect to dividends, liquidation and dissolution, the liquidation preference of the shares of the series, the voting rights of the shares of the series, if any, whether and on what terms the shares of the series will be convertible or exchangeable, whether and on what terms we can redeem the shares of the series, whether we will list the preferred stock on a securities exchange and any other specific terms of the series of preferred stock.

DESCRIPTION OF 1.3% SENIOR NOTES DUE 2025

The Company previously filed a registration statement on Form S-3 (File No. 333-207810), which was filed with the Securities and Exchange Commission on November 14, 2015 and covers the issuance of the Company's 1.3% Senior Notes due 2025. The following description of our 1.3% Senior Notes is a summary and does not purport to be complete. It is subject to and qualified in its entirety by reference to the indenture, dated as of August 8, 2006 (the "Base Indenture"), between Baxter International Inc. and J.P. Morgan Trust Company, N.A., as trustee, as supplemented by the eleventh supplemental indenture, dated as of May 30, 2017, which is incorporated by reference as an exhibit to the Annual Report on Form 10-K of which this Exhibit 4.9 is a part.

We encourage you to read the above referenced indenture, as supplemented, for additional information.

General

We initially issued a total of €600,000,000 aggregate principal amount of notes that will mature on May 30, 2025. We may, from time to time, without the consent of the holders of the notes, issue additional notes on terms and conditions substantially identical to those of the notes (except for the issue date and, in some cases, the initial interest payment date), so that such additional notes will increase the aggregate principal amount of, and will be consolidated and form a single series with, the notes and will otherwise have the same terms as the notes.

We issued the notes in registered form represented by one or more global notes registered in the name of a nominee of, and deposited with, a common depositary for Euroclear and Clearstream, Luxembourg (which we may refer to along with its successors in such capacity as the common depositary). The notes were issued exclusively in registered form and in the minimum denomination of €100,000, and in integral multiples of €1,000 in excess thereof.

The notes are not subject to a sinking fund provision.

Interest Rate

The notes bear interest at a rate of 1.300% per annum. Interest on the notes shall be payable annually in arrears on May 30 of each year, beginning on May 30, 2018. We will make each interest payment to the holders in whose names the notes are registered at the close of business on the date that is (i) in the case of notes represented by a global note, the clearing system business day (which, for these purposes, is a day on which Euroclear and Clearstream, Luxembourg settle payments in euros) immediately prior to the relevant interest payment date and (ii) in all other cases, 15 calendar days prior to the relevant interest payment date (whether or not a business day) (for the purposes of clauses (i) and (ii), such day, the "Record Date").

Interest on the notes shall be computed on the basis of the actual number of days in the period for which interest is being calculated and the actual number of days from and including the last date on which interest was paid on the notes (or from May 30, 2017, if no interest has been paid on the notes) to, but excluding, the next scheduled interest payment date. This payment convention is referred to as ACTUAL/ACTUAL (ICMA) (as defined in the rulebook of the International Capital Market Association).

Ranking

The notes are our direct, unsecured and unsubordinated obligations and will rank equal in priority of payment with all of our other existing and future unsecured and unsubordinated indebtedness, and senior in right of payment to any future subordinated indebtedness. In addition to the notes, we may issue other series of debt securities under the indenture. There is no limit on the total aggregate principal amount of debt securities that we can issue under the indenture.

ank 20250710-202507110802

The notes will be structurally subordinated to all indebtedness and other liabilities, including trade payables, of our subsidiaries.

Issuance in Euros

Initial holders of the notes were required to pay for the notes in euros, and principal, premium, if any, and interest payments and additional amounts, if any, in respect of the notes will be payable in euros, except as described below.

If the euro is unavailable to us due to the imposition of exchange controls or other circumstances beyond our control or the euro is no longer used by the then member states of the European Monetary Union that have adopted the euro as their currency or for the settlement of transactions by public institutions within the international banking community, then all payments in respect of the notes will be made in U.S. dollars until the euro is again available to us or so used. In such circumstances, the amount payable on any date in euros will be converted to U.S. dollars on the basis of the most recently available market exchange rate for euros, as determined by us in our sole discretion. Any payment in respect of the notes so made in U.S. dollars will not constitute an event of default under the indenture or the notes. Neither the trustee nor the paying agent will be responsible for obtaining exchange rates, effecting conversions or otherwise handling redenominations.

Payment of Additional Amounts

All payments in respect of the notes will be made by or on behalf of us without withholding or deduction for, or on account of, any present or future taxes, duties, assessments or governmental charges of whatever nature, imposed or levied by the United States or any taxing authority thereof or therein, unless such withholding or deduction is required by law. If such withholding or deduction is required by law, we will pay to a beneficial owner who is not a United States person (as defined below) such additional amounts on the notes as are necessary in order that the net payment of the principal of, and premium or redemption price, if any, and interest on, such notes to such beneficial owner, after such withholding or deduction (including any withholding or deduction on such additional amounts), will not be less than the amount provided in such notes to be then due and payable; provided, however, that the foregoing obligation to pay additional amounts will not apply:

1. to any tax, assessment or other governmental charge that would not have been imposed but for the beneficial owner, or a fiduciary, settlor, beneficiary, member or shareholder of the beneficial owner if the beneficial owner is an estate, trust, partnership or corporation, or a person holding a power over an estate or trust administered by a fiduciary holder, being considered as (i) having a current or former connection with the United States (other than a connection arising solely as a result of the ownership of such notes, the receipt of any payment or the enforcement of any rights thereunder), including being or having been a citizen or resident of the United States, or being or having been engaged in a trade or business in the United States or having or having had a permanent establishment in the United States; (ii) being a controlled foreign corporation related to Baxter directly, indirectly or constructively through stock ownership for U.S. federal income tax purposes; (iii) being an owner of a 10% or greater interest in voting stock of Baxter within the meaning of Section 871(h)(3) of the U.S. Internal Revenue Code of 1986, as amended (the "Code") or any successor provision; or (iv) being a bank receiving payments on an extension of credit made pursuant to a loan agreement entered into in the ordinary course of its trade or business;

2. to any holder that is not the sole beneficial owner of such notes, or a portion of such notes, or that is a fiduciary, partnership or limited liability company, but only to the extent that a beneficiary or settlor with respect to the fiduciary, a beneficial owner or a member of the partnership or limited liability company would not have been entitled to the payment of an additional amount had the

beneficiary, settlor, beneficial owner or member received directly from Baxter its beneficial or distributive share of the payment;

3. to any tax, assessment or other governmental charge imposed by reason of the holder's or beneficial owner's past or present status as a passive foreign investment company, a controlled foreign corporation, a foreign tax exempt organization or a personal holding company with respect to the United States or as a corporation that accumulates earnings to avoid U.S. federal income tax;

4. to any tax, assessment or other governmental charge that would not have been imposed but for the failure of the holder or beneficial owner of the applicable notes to comply with any applicable certification, identification or information reporting requirements concerning the nationality, residence, identity or connection with the United States of the holder or beneficial owner of such notes, if compliance is required by statute, by regulation of the United States or any taxing authority therein or by an applicable income tax treaty to which the United States is a party as a precondition to exemption from such tax, assessment or other governmental charge;

5. to any tax, assessment or other governmental charge that is imposed otherwise than by withholding or deducting from the payment;

6. to any estate, inheritance, gift, sales, transfer, wealth, capital gains or personal property tax or similar tax, assessment or other governmental charge;

7. to any tax, assessment or other governmental charge required to be withheld by any paying agent from any payment of principal of or interest on any such note, if such payment can be made without such withholding by at least one other paying agent;

8. to any tax, assessment or other governmental charge that is imposed or withheld solely by reason of a change in law, regulation, or administrative or judicial interpretation that becomes effective more than 15 days after the payment becomes due or is duly provided for, whichever occurs later;

9. to any tax, assessment or other governmental charge that would have been imposed but for presentation by the holder of any note, where presentation is required, for payment on a date more than 30 days after the date on which payment became due and payable or the date on which payment thereof is duly provided for, whichever occurs later, except to the extent that the holder or beneficial owner thereof would have been entitled to additional amounts had the note been presented for payment on the last day of such 30 day period;

10. to any withholding or deduction that is imposed on a payment pursuant to Sections 1471 through 1474 of the Code and related Treasury regulations and pronouncements or any successor provisions thereto (that are substantively comparable and not materially more onerous to comply with) and any regulations or official law, agreement or interpretations thereof in any jurisdiction implementing an intergovernmental approach thereto; or

11. in the case of any combination of the above listed items.

Except as specifically provided under this heading "—Payment of Additional Amounts," we will not be required to make any payment for any present or future tax, duty, assessment or governmental charge of whatever nature imposed by any government or a political subdivision or taxing authority of or in any government or political subdivision.

As used under this heading "—Payment of Additional Amounts" and under the heading "—Redemption for Tax Reasons" the term "United States" means the United States of America, any state thereof, and the District of Columbia, and the term "United States person" means (i) any individual who is a citizen or resident of the United States for U.S. federal income tax purposes, (ii) a corporation, partnership or other

ank=20250711089003

entity created or organized in or under the laws of the United States, any state thereof or the District of Columbia (other than a partnership that is not treated as a United States person for U.S. federal income tax purposes), (iii) any estate the income of which is subject to U.S. federal income taxation regardless of its source, or (iv) any trust if a U.S. court can exercise primary supervision over the administration of the trust and one or more United States persons can control all substantial trust decisions, or if a valid election is in place to treat the trust as a United States person.

Optional Redemption

The notes, at any time prior to the date that is three months prior to their maturity date (the "Par Call Date"), will be redeemable in whole at any time or in part, from time to time, at our option, at a "make-whole" redemption price equal to the greater of (1) 100% of the principal amount of the notes to be redeemed plus accrued and unpaid interest (including any additional amounts), if any, to, but excluding, the date of redemption, and (2) the sum of the present values of the principal amount of the notes to be redeemed and the scheduled payments of interest thereon (exclusive of interest accrued to the date of redemption) from the redemption date to the Par Call Date, discounted to the date of redemption on an annual basis (ACTUAL/ACTUAL (ICMA)) at the applicable Comparable Government Bond Rate, as defined below, plus 20 basis points, plus accrued and unpaid interest (including any additional amounts), if any, to, but excluding, the date of redemption. We shall calculate the redemption price.

On or after the date that is three months prior to their maturity date, the notes will be redeemable in whole at any time or in part, from time to time, at our option, at a redemption price equal to 100% of the principal amount of the notes to be redeemed, plus accrued and unpaid interest (including any additional amounts), if any, to, but excluding, the date of redemption.

"*Comparable Government Bond*" means, in relation to any Comparable Government Bond Rate (as defined below) calculation, at the discretion of the Independent Investment Bank (as defined below) selected by us, a bond that is a direct obligation of the Federal Republic of Germany ("German government bond"), whose maturity is closest to the Par Call Date, or if the Independent Investment Bank in its discretion determines that such similar bond is not in issue, such other German government bond as the Independent Investment Bank may, with the advice of three brokers of, and/or market makers in, German government bonds selected by us, determine to be appropriate for determining the Comparable Government Bond Rate.

"*Comparable Government Bond Rate*" means the yield to maturity, expressed as a percentage (rounded to three decimal places, with 0.0005 being rounded upwards), on the third business day in London prior to the date fixed for redemption, of the Comparable Government Bond on the basis of the middle market price of the Comparable Government Bond prevailing at 11:00 a.m. (London time) on such business day as determined by the Independent Investment Bank selected by us.

"*Independent Investment Bank*" means one of the Reference Treasury Dealers that we shall appoint to act as the Independent Investment Bank.

"*Reference Treasury Dealers*" means Deutsche Bank Aktiengesellschaft, Goldman Sachs & Co. LLC and J.P. Morgan Securities plc (or their respective affiliates that are Primary Treasury Dealers (as defined below)) and their respective successors; provided, however, that if any of the foregoing shall cease to be a broker or dealer of, and/or market maker in, German government bonds (a "Primary Treasury Dealer"), we will substitute therefor another Primary Treasury Dealer.

To exercise our option to redeem the notes, we will give each holder of notes to be redeemed a notice in writing at least 30 days but not more than 60 days before the redemption date (i) in the case of notes represented by a global note, to and through Euroclear or Clearstream, Luxembourg for communication by them to the holders of interests in the notes to be so redeemed, or (ii) in the case of definitive notes, to each holder of record of the notes to be redeemed at its registered address. If we elect to redeem fewer

than all the notes, the trustee will select the particular notes to be redeemed by such method as the trustee deems fair and appropriate and in accordance with the indenture, subject to applicable procedures of Euroclear and Clearstream, Luxembourg as to global notes.

Unless a default occurs in payment of the redemption price, from and after the redemption date interest will cease to accrue on the notes or portions thereof called for redemption.

Redemption for Tax Reasons

If, as a result of any change in, or amendment to, the laws (or any regulations or rulings promulgated under the laws) of the United States (or any taxing authority thereof or therein), or any change in, or amendments to, an official position regarding the application or interpretation of such laws, regulations or rulings, which change or amendment is announced or becomes effective on or after the date of this prospectus supplement, we become or, based upon a written opinion of independent tax counsel of recognized standing selected by us, will become obligated to pay additional amounts as described herein under the heading "—Payment of Additional Amounts" with respect to the notes, then we may at our option redeem the notes at any time, in whole, but not in part, having given not less than 30 nor more than 60 days prior notice, (i) in the case of notes represented by a global note, to and through Euroclear or Clearstream, Luxembourg for communication by them to the holders of interests in the notes to be redeemed, or (ii) in the case of definitive notes, to each holder of record of the notes to be redeemed at its registered address, at a redemption price equal to 100% of the principal amount, plus accrued and unpaid interest (including any additional amounts), if any, to, but excluding, the date of redemption.

Offer to Purchase Upon Change of Control Triggering Event

If a Change of Control Triggering Event occurs, other than with respect to notes for which we have exercised our option to redeem as described above, we will be required to make an offer (the "Change of Control Offer") to each holder of the notes to repurchase all or any part (equal to €100,000 and integral multiples of €1,000 in excess thereof) of that holder's notes on the terms set forth in the notes. In the Change of Control Offer, we will be required to offer payment in cash equal to 101% of the aggregate principal amount of notes to be repurchased, plus accrued and unpaid interest (including any additional amounts), if any, on the notes to be repurchased to, but excluding, the date of repurchase (the "Change of Control Payment"). Within 30 days following any Change of Control Triggering Event or, at our option, prior to any Change of Control, but after public announcement of the transaction that constitutes or may constitute the Change of Control, we will give notice, (i) in the case of notes represented by a global note, to and through Euroclear or Clearstream, Luxembourg for communication by them to the holders of interests in the notes, or (ii) in the case of definitive notes, to each holder of record of the notes at its registered address, with a copy to the trustee describing the transaction that constitutes or may constitute the Change of Control Triggering Event and offering to repurchase such notes on the date specified in the notice, which date will be no earlier than 30 days and no later than 60 days from the date such notice is given (the "Change of Control Payment Date"). The notice will, if given prior to the date of consummation of the Change of Control, state that the offer to purchase is conditioned on the Change of Control Triggering Event occurring on or prior to the Change of Control Payment Date.

On the Change of Control Payment Date, we will, to the extent lawful:

- accept for payment all notes or portions of notes properly tendered pursuant to the Change of Control Offer;
- deposit with the paying agent an amount equal to the Change of Control Payment in respect of all notes or portions of notes properly tendered; and
- deliver or cause to be delivered to the trustee such notes properly accepted together with an officers' certificate stating the aggregate principal amount of notes or portions of notes being repurchased.

ami=20250710-20250711080004

We will not be required to comply with the obligations relating to repurchasing the notes if a third party instead satisfies them. In addition, we will not repurchase any notes if there has occurred and is continuing on the Change of Control Payment Date an event of default under the indenture with respect to such notes, other than a default in the payment of the Change of Control Payment upon a Change of Control Triggering Event.

We will comply with the requirements of Rule 14e-1 under the Securities Exchange Act of 1934, as amended (the "Exchange Act"), and any other securities laws and regulations applicable to the repurchase of the notes as a result of a Change of Control Triggering Event. To the extent that the provisions of any such securities laws or regulations conflict with the change of control offer provisions of the notes, we will comply with those securities laws and regulations and will not be deemed to have breached our obligations under the change of control offer provisions of the notes by virtue of any such conflict.

If a Change of Control Offer is made, there can be no assurance that we will have available funds sufficient to make the Change of Control Payment for all of the notes that may be tendered for repurchase. See "Risk Factors—We may not be able to repurchase all of the notes upon a change of control triggering event, which would result in a default under the notes."

For purposes of the change of control offer provisions of the notes, the following terms will be applicable:

"*Change of Control*" means the occurrence of any of the following: (1) the consummation of any transaction (including, without limitation, any merger or consolidation) the result of which is that any "person" (as that term is used in Section 13(d)(3) of the Exchange Act), other than us or one of our subsidiaries, becomes the beneficial owner (as defined in Rules 13d-3 and 13d-5 under the Exchange Act), directly or indirectly, of more than 50% of our Voting Stock or other Voting Stock into which our Voting Stock is reclassified, consolidated, exchanged or changed, measured by voting power rather than number of shares, (2) the direct or indirect sale, transfer, conveyance or other disposition (other than by way of merger or consolidation), in one or a series of related transactions, of all or substantially all of our assets and the assets of our subsidiaries, taken as a whole, to one or more "persons" (as that term is defined in the indenture), other than us or one of our subsidiaries or (3) the adoption of a plan relating to our liquidation or dissolution. Notwithstanding the foregoing, a transaction will not be deemed to be a Change of Control if (1) we become a direct or indirect wholly-owned subsidiary of a holding company and (2)(A) the direct or indirect holders of the Voting Stock of such holding company immediately following that transaction are substantially the same as the holders of our Voting Stock immediately prior to that transaction or (B) immediately following that transaction no "person" (as that term is used in Section 13(d)(3) of the Exchange Act) (other than a holding company satisfying the requirements of this sentence) is the beneficial owner, directly or indirectly, of more than 50% of the Voting Stock of such holding company.

"*Change of Control Triggering Event*" means the occurrence of both a Change of Control and a Rating Event.

"*Investment Grade Rating*" means a rating equal to or higher than Baa3 (or the equivalent) by Moody's and BBB- (or the equivalent) by S&P, and the equivalent investment grade credit rating from any replacement Rating Agency or Rating Agencies.

"*Moody's*" means Moody's Investors Service, Inc.

"*Rating Agencies*" means (1) each of Moody's and S&P, and (2) if either Moody's or S&P ceases to rate the notes or fails to make a rating of the notes publicly available for reasons outside of our control, a "nationally recognized statistical rating organization" within the meaning of Section 3(a)(62) of the Exchange Act selected by us (as certified by a resolution of our board of directors) as a replacement agency for Moody's or S&P, or both of them, as the case may be.

"*Rating Event*" means the rating on the notes is lowered by each of the Rating Agencies and the notes are rated below an Investment Grade Rating by each of the Rating Agencies on any day within the 60-day period (which 60-day period will be extended so long as the rating of the notes is under publicly announced consideration for a possible downgrade by any of the Rating Agencies but no longer than 180 days) after the earlier of (1) the occurrence of a Change of Control and (2) public notice of our intention to effect a Change of Control; provided, however, that a Rating Event otherwise arising by virtue of a particular reduction in rating will not be deemed to have occurred in respect of a particular Change of Control (and thus will not be deemed a Rating Event for purposes of the definition of Change of Control Triggering Event) if the Rating Agencies making the reduction in rating to which this definition would otherwise apply do not announce or publicly confirm to us in writing at our request that the reduction was the result, in whole or in part, of any event or circumstance comprised of or arising as a result of, or in respect of, the applicable Change of Control (whether or not the applicable Change of Control has occurred at the time of the Rating Event).

"*S&P*" means S&P Global Ratings, a division of S&P Global, Inc.

"*Voting Stock*" means, with respect to any specified "person" (as that term is used in Section 13(d)(3) of the Exchange Act), as of any date, the capital stock of such person that is at the time entitled to vote generally in the election of the board of directors of such person.

The definition of Change of Control includes a phrase relating to the direct or indirect sale, transfer, conveyance or other disposition, in one or a series of related transactions, of "all or substantially all" of our assets and the assets of our subsidiaries, taken as a whole. Although there is a limited body of case law interpreting the phrase "substantially all," there is no precise established definition of such phrase under applicable law. Accordingly, the ability of a holder of the notes to require us to repurchase that holder's notes as a result of the sale, transfer, conveyance or other disposition of less than all of our assets and the assets of our subsidiaries, taken as a whole, to one or more persons may be uncertain.

Our obligation to purchase the notes following a Change of Control Triggering Event is subject to the provisions described in the accompanying prospectus described in the section entitled "Description of Debt Securities—Defeasance and Covenant Defeasance."

Book-Entry Procedures, Delivery and Form

The notes were issued in the form of one or more permanent global notes in fully registered, book-entry form. The global notes are registered in the name of a nominee of, and deposited with, a common depositary for Euroclear and Clearstream, Luxembourg. The notes were not issued in a form that would, on the date of this prospectus supplement, enable them to satisfy the European Central Bank's criteria to be recognized as eligible collateral for Eurosystem monetary policy and intra-day credit operations by the Eurosystem. Any such recognition in the future will depend upon the European Central Bank being satisfied that the Eurosystem eligibility criteria then in effect have been met.

Except as set forth below, the global notes may be transferred, in whole and not in part, only to another nominee of Euroclear or Clearstream, Luxembourg. Beneficial interests in the global notes may not be exchanged for definitive notes except in the limited circumstances described below. See "—Exchange of Global Notes for Definitive Notes." Except in the limited circumstances described below, owners of beneficial interests in the global notes will not be entitled to receive definitive notes.

Global Clearance and Settlement

The description in this section reflects our understanding of the rules and procedures of Euroclear and Clearstream, Luxembourg as they are in effect as of the date of this prospectus supplement. Those systems could change their rules and procedures at any time.

ank=20250710805-0

Beneficial interests in the global notes will be represented through book-entry accounts of financial institutions acting on behalf of beneficial owners as accountholders in Euroclear and Clearstream, Luxembourg (together, the "ICSDs"). Investors may hold interests in the global notes through either Euroclear or Clearstream, Luxembourg, either directly if they are accountholders in such systems, or indirectly through organizations that are accountholders in such systems.

Euroclear and Clearstream, Luxembourg each holds securities of institutions that have accounts with the ICSD ("participants") and facilitates the clearance and settlement of securities transactions among their participants in such securities by electronic book-entry transfer between their respective participants, thereby eliminating the need for physical movement of securities certificates. The ICSDs' participants include securities brokers and dealers (which may include the underwriters), banks, trust companies, clearing corporations and certain other organizations. Access to the ICSDs' book-entry system is also available to others such as banks, brokers, dealers and trust companies ("indirect participants") that clear through or maintain a custodial relationship with a participant, whether directly or indirectly. Euroclear and Clearstream, Luxembourg provide various services including safekeeping, administration, clearance and settlement of internationally traded securities and securities lending and borrowing. Euroclear and Clearstream, Luxembourg also deal with domestic securities markets in several countries through established depository and custodial relationships. Euroclear and Clearstream, Luxembourg have established an electronic bridge between their two systems across which their respective participants may settle trades with each other.

We expect that pursuant to procedures established by the ICSDs, upon the deposit of the global notes with the common depositary, the ICSDs will credit, on their book-entry registration and transfer systems, the interest in the notes represented by such global notes to the accounts of participants. The accounts to be credited shall be designated by the underwriters of the notes. Ownership of beneficial interests in the global notes will be limited to participants or persons that may hold interests through participants. Ownership of beneficial interests in the global notes will be shown on, and the transfer of those ownership interests will be effected only through, records maintained by the ICSDs (with respect to participants' interests) and such participants and indirect participants (with respect to the owners of beneficial interests in the global notes other than participants).

So long as the nominee of the common depositary is the registered holder and owner of the global notes, such nominee will be considered the sole legal owner and holder of the notes evidenced by the global notes for all purposes of such notes. Except as set forth below, as an owner of a beneficial interest in the global notes, you will not be entitled to have the notes represented by the global notes registered in your name, will not receive or be entitled to receive physical delivery of definitive notes and will not be considered to be the owner or holder of any notes under the global notes. We understand that under existing industry practice, in the event an owner of a beneficial interest in the global notes desires to take any action that the nominee of the common depositary, as the holder of the global notes, is entitled to take, the common depositary will authorize the participants to take such action, and that the participants will authorize beneficial owners owning through such participants to take such action or would otherwise act upon the instructions of beneficial owners owning through them.

All payments on notes represented by the global notes registered in the name of the nominee of the common depositary will be made to the ICSDs or the nominee of the common depositary, as the case may be, as the registered owner and holder of the global notes, and our obligations to make payment on notes will, to the extent of such payments to the ICSDs or, as the case may be, the nominee of the common depositary, be discharged.

We expect that the ICSDs, upon receipt of any payment on the global notes, will credit participants' accounts with payments in amounts proportionate to their respective beneficial interests in the global notes as shown on the records of the ICSDs. We also expect that payments by participants or indirect participants to owners of beneficial interests in the global notes held through such participants or indirect

participants will be governed by standing instructions and customary practices and will be the responsibility of such participants or indirect participants. We will not have any responsibility or liability for any aspect of the records relating to, or payments made on account of, beneficial ownership interests in the global notes for any notes or for maintaining, supervising or reviewing any records relating to such beneficial ownership interests or for any other aspect of the relationship between the ICSDs and their participants or indirect participants or the relationship between such participants or indirect participants and the owners of beneficial interests in the global notes owning through such participants or indirect participants.

Although the ICSDs customarily operate the foregoing procedures in order to facilitate transfers of interests in the global notes among participants or indirect participants of the ICSDs, they are under no obligation to perform or continue to perform such procedures, and such procedures may be discontinued at any time. Neither we nor the trustee will have any responsibility or liability for the performance by either ICSD or its participants or indirect participants of their respective obligations under the rules and procedures governing their operations.

Secondary Transfers

Transfers of any interests in notes represented by a global note within Euroclear and Clearstream, Luxembourg will be effected in accordance with the customary rules and operating procedures of the relevant clearing system.

On or after the issue date of the notes, transfers of notes represented by a global note between accountholders in Clearstream, Luxembourg and Euroclear will generally have a settlement date three clearing system business days (which, for these purposes, is a day on which Euroclear and Clearstream, Luxembourg settle payments in euro) after the trade date (T+3).

None of the us, the trustee, the paying agent or any underwriter will be responsible for any performance by Euroclear or Clearstream, Luxembourg or their accountholders of their respective obligations under the rules and procedures governing their operations and none of them will have any liability for any aspect of the records relating to or payments made on account of beneficial interests in the notes represented by a global note or for maintaining, supervising or reviewing any records relating to such beneficial interests.

Same-Day Settlement and Payment

We will make payments in respect of the notes represented by the global notes (including principal, premium, if any, and interest and additional amounts, if any) by wire transfer of immediately available funds to the account specified by the paying agent; provided, however, that at our option payment in respect of definitive notes may be made by (1) check mailed to the address of the person entitled thereto as such address shall appear in the security register on the Record Date or (2) wire transfer as directed by the holder of the relevant notes, in immediately available funds to accounts maintained by the holder of notes or its nominee; provided further that in the case of a definitive note (x) the holder thereof shall have provided written wiring instructions to the paying agent on or before the related Record Date and (y) if appropriate instructions for any such wire transfer are not received by the related Record Date, then such payment shall be made by check mailed to the address of such holder specified in the security register on the Record Date.

If the principal of or any premium or interest or additional amounts on the notes or amounts payable upon any redemption of the notes is payable on a day that is not a Payment Business Day, the payment will be made on the following Payment Business Day without the accrual of any interest on that payment.

For these purposes "Payment Business Day" means any day that is:

1. a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in New

ank=20250710:20250711089006

York City and the City of London and, in the case of definitive notes only, the relevant place of presentation; and

2. a day on which the TARGET 2 System is open for the settlement of payment in euros.

For these purposes "TARGET 2 System" means the Trans-European Automatic Real-Time Gross Settlement Express Transfer (TARGET 2) System (or any successor thereto).

Exchange of Global Notes for Definitive Notes

We will issue definitive notes upon surrender of the global notes in accordance with their terms only if:

1. an Event of Default has occurred and is continuing; or
2. either Euroclear or Clearstream, Luxembourg is closed for business for a continuous period of 14 days or more (other than by reason of holiday, statutory or otherwise) or announces an intention permanently to cease business or does in fact do so and no alternative clearing system satisfactory to the trustee is available; or
3. *we would suffer a disadvantage as a result of a change in laws or regulations (taxation or otherwise) or as a result of a change in the* practice of Euroclear and/or Clearstream, Luxembourg which would not be suffered were the notes in definitive form and a certificate to such effect signed by one of our authorized signatories is given to the trustee.

Thereupon (in the case of (a) or (b) above) the holder of a global note (acting on behalf of one or more of the accountholders) or the trustee may give notice to us and (in the case of (c) above) we may give notice to the trustee and the noteholders, of our intention to exchange a global note for definitive notes on or after the Exchange Date (as defined below).

On or after the Exchange Date the holder of the global note may, or in the case of (c) above, shall surrender it to or to the order of the trustee or registrar. In exchange for the global note, we shall deliver, or procure the delivery of, an equal aggregate principal amount of definitive notes, security printed in accordance with any applicable legal and stock exchange requirements. On exchange of the global note, we will procure that it is cancelled.

For these purposes, "Exchange Date" *means a day specified in the notice requiring exchange falling not less than 60 days after that on which* the notice requiring exchange is given and being a day on which banks are open for general business in London, the place in which the specified office of the trustee is located and, except in case of exchange pursuant to (b) above, in the place in which Euroclear and Clearstream, Luxembourg are located.

In all cases, definitive notes delivered in exchange for any global note or beneficial interest in any global note will be registered in the names, and issued in any approved denominations, requested by or on behalf of the holder of the relevant global notes, provided that the denomination of any definitive note may not, at any time, be less than €100,000.

Neither we nor the trustee will be liable for any delay by the holder of the relevant global notes identifying the holders of beneficial interests in the global notes, and each such person may conclusively rely on, and will be protected in relying on, instructions from Euroclear or Clearstream, Luxembourg for all purposes (including with respect to the registration and delivery, and the respective principal amounts, of the definitive notes to be issued).

Certain Covenants

Unless otherwise indicated in the prospectus supplement, Baxter will not, and will not cause or permit any restricted subsidiary to, create, incur, assume or guarantee any indebtedness that is secured by a security interest in any principal facilities of Baxter or any restricted subsidiary or in shares of stock owned directly

or indirectly by Baxter in any restricted subsidiary or in indebtedness for money borrowed by one of its restricted subsidiaries from Baxter or another of the restricted subsidiaries ("secured debt") unless the debt securities then outstanding and any other indebtedness of or guaranteed by Baxter or such restricted subsidiary then entitled to be so secured is secured equally and ratably with or prior to any and all other obligations and indebtedness thereby secured, with exceptions as listed in the indenture. These restrictions do not apply to indebtedness secured by:

- any security interest on any property which is a parcel of real property at a manufacturing plant, a warehouse or an office building and which is acquired, constructed, developed or improved by Baxter or a restricted subsidiary, which security interest secures or provides for the payment of all or any part of the acquisition cost of the property or the cost of the construction, development or improvement of the property and which security interest is created prior to, at the same time as, or within 120 days after (i) in the case of the acquisition of property, the completion of the acquisition of the property and (ii) in the case of construction, development or improvement of property, the later to occur of the completion of such construction, development or improvement or the commencement of operation, use or commercial production of the property
- any security interest on property existing at the time of the acquisition of such property by Baxter or a restricted subsidiary which security interest secures obligations assumed by Baxter or a restricted subsidiary;
- any security interest arising from conditional sales agreements or title retention agreements with respect to property acquired by Baxter or any restricted subsidiary;
- security interests existing on the property or on the outstanding shares or indebtedness of a corporation or firm at the time the corporation or firm becomes a restricted subsidiary or is merged or consolidated with Baxter or a restricted subsidiary or at the time the corporation or firm sells, leases or otherwise disposes of its property as an entirety or substantially as an entirety to Baxter or a restricted subsidiary;
- security interests securing indebtedness of a restricted subsidiary to Baxter or to another restricted subsidiary;
- mechanics' and other statutory liens arising in the ordinary course of business in respect of obligations which are not due or which are being contested in good faith;
- security interests arising by reason of deposit with, or the giving of any form of security to, any governmental agency which is required by law as a condition to the transaction of any business;
- security interests for taxes, assessments or governmental charges or levies not yet delinquent or security interests for taxes, assessments or governmental charges or levies already delinquent but which are being contested in good faith; • security interests arising in connection with legal proceedings, including judgment liens, so long as the proceedings are being contested in good faith and, in the case of judgment liens, the execution has been stayed;
- landlords' liens on fixtures leased by Baxter or a restricted subsidiary in the ordinary course of business;
- security interests arising in connection with contracts and subcontracts with or made at the request of the United States, any state, or any department, agency or instrumentality of the United States or any state;
- security interests that secure an obligation issued by the United States or any state, territory or possession of the United States or any of their political subdivisions or the District of Columbia, in connection with the financing of the cost of construction or acquisition of a principal facility or a part of a principal facility;

ank=20250711108907

- security interests by reason of deposits to qualify Baxter or a restricted subsidiary to conduct business, to maintain self-insurance, or to obtain the benefits of, or comply with, laws;
- the extension of any security interest existing on the date of the indenture on a principal facility to additions, extensions or improvements to the principal facility and not as a result of borrowing money or the securing of indebtedness incurred after the date of the indenture; or
- any extension, renewal or refunding, or successive extensions, renewals or refundings, in whole or in part of any secured debt secured by any security interest listed above, provided that the principal amount of the secured debt secured thereby does not exceed the principal amount outstanding immediately prior to the extension, renewal or refunding and that the security interest securing the secured debt is limited to the property which, immediately prior to the extension, renewal or refunding, secured the secured debt and additions to the property.

For purposes of the indenture, "principal facilities" are any manufacturing plants, warehouses, office buildings and parcels of real property owned by Baxter or any restricted subsidiary, provided each such facility has a gross book value, without deduction for any depreciation reserves, in excess of 2% of Baxter's consolidated net tangible assets other than any facility that is determined by Baxter's board of directors to not be of material importance to the business conducted by Baxter and its subsidiaries taken as a whole.

For purposes of the indenture, "consolidated net tangible assets" are the total amount of assets that would be included on Baxter's consolidated balance sheet under generally accepted accounting principles after deducting all short-term liabilities and liability items, except for indebtedness payable more than one year from the date of incurrence and all goodwill, trade names, trademarks, patents, unamortized debt discount and unamortized expense incurred in the issuance of debt and other like intangibles, except for prepaid royalties.

Notwithstanding the limitations on secured debt described above, Baxter and any restricted subsidiary may create, incur, assume or guarantee secured debt, without equally and ratably securing the debt securities, provided that the sum of such secured debt and all other secured debt entered into after the date of the indenture, other than secured debt permitted as described in the bullet points above, does not exceed 15% of Baxter's consolidated net tangible assets.

For purposes of the indenture, a "restricted subsidiary" is any corporation in which Baxter owns voting securities entitling it to elect a majority of the directors and which is either designated as a restricted subsidiary in accordance with the indenture or:

- existed as such on the date of the indenture or is the successor to, or owns, any equity interest in, a corporation which so existed;
- has its principal business and assets in the United States;
- the business of which is other than the obtaining of financing in capital markets outside the United States or the financing of the acquisition or disposition of real or personal property or dealing in real property for residential or office building purposes; and
- does not have assets substantially all of which consist of securities of one or more corporations which are not restricted subsidiaries.

Restrictions on Mergers, Consolidations and Transfers of Assets

Unless otherwise indicated in the prospectus supplement, Baxter will not consolidate with or merge into or sell, transfer or lease all or substantially all of its respective properties and assets to another person unless:

- in the case of a merger, Baxter is the surviving corporation, or
- the person into which Baxter is merged or which acquires all or substantially all of the properties and assets of Baxter expressly assumes all of the obligations of Baxter relating to the debt securities and the indenture.

Upon any of the consolidation, merger or transfer, the successor corporation will be substituted for Baxter under the indenture. The successor corporation may then exercise all of the powers and rights of Baxter under the indenture, and Baxter will be released from all of its obligations and covenants under the debt securities and the indenture. If Baxter leases all or substantially all of its assets, the lessee corporation will be the successor and may exercise all of the respective powers and rights under the indenture but Baxter will not be released from its obligations and covenants under the debt securities and the indenture.

Events of Default

The indenture defines an "event of default" with respect to any series of debt securities. Each of the following will be an event of default under the indenture for any series of debt securities:

- our failure to pay interest on any of the debt securities when due, and continuance of the default for a period of 30 days;
- our failure to pay principal or premium, if any, on that series of the debt securities when due, whether at maturity or otherwise;
- default in the deposit of any sinking fund payment or payment under any analogous provision when due with respect to any of the debt securities of such series;
- our failure to perform, or our breach, of any covenant or warranty in the indenture in respect of that series, other than a covenant or warranty included in the indenture solely for the benefit of another series of debt securities, and continuance of that failure or breach, without that failure or breach having been cured or waived, for a period of 90 days after the trustee gives notice to us or, in the case of notice by the holders, the holders not less than 25% in aggregate principal amount of the outstanding debt securities of that series give notice to us and the trustee, specifying the default or breach;
- specified events involving our bankruptcy, insolvency or reorganization; or
- any other event of default we may provide for that series.

An event of default under one series of debt securities does not necessarily constitute an event of default under any other series of debt securities. The indenture provides that, within 90 days after the occurrence of any default with respect to a series of debt securities, the trustee will mail to all holders of debt securities of that series notice of the default, unless the default has been cured or waived. However, the indenture provides that the trustee may withhold notice of a default with respect to a series of debt securities, except a default in payment of principal, premium, if any, or interest, if any, if the trustee considers it in the best interest of the holders to do so. In the case of a default in the performance, or breach, of any covenant or warranty in the indenture or in respect of a series of debt securities, no notice will be given until at least 30 days after the occurrence of the default or breach. As used in this paragraph, the term "default" means any event which is, or after notice or lapse of time or both would become, an event of default with respect to a series of debt securities.

The indenture provides that if an event of default, other than an event of default relating to events of bankruptcy, insolvency or reorganization, with respect to a series of debt securities occurs and is continuing, either the trustee or the holders of not less than 25% in aggregate principal amount of the outstanding debt securities of that series may declare the principal of, and accrued and unpaid interest, if any, on, the debt securities in that series to be due and payable immediately. The indenture also provides

0-20250711089 08
ank=20250711

that if an event of default relating to events of bankruptcy, insolvency or reorganization with respect to a series of debt securities occurs then the principal of, and accrued and unpaid interest, if any, on, all the debt securities of that series will automatically become and be immediately due and payable without any declaration or other act on the part of the trustee or any holder of the debt securities. However, upon specified conditions, the holders of not less than a majority in aggregate principal amount of the outstanding debt securities of a series may rescind and annul an acceleration of the debt securities of that series and its consequences.

Subject to the provisions of the Trust Indenture Act requiring the trustee, during the continuance of an event of default under the indenture, to act with the requisite standard of care, the trustee is under no obligation to exercise any of its rights or powers under the indenture at the request or direction of any of the holders of debt securities unless those holders have offered to the trustee security or indemnity satisfactory to the trustee against the costs, expenses and liabilities that may be incurred by taking such action.

Subject to this requirement, holders of a majority in aggregate principal amount of the outstanding debt securities of a series have the right to direct the time, method and place of conducting any proceeding for any remedy available to the trustee under the indenture with respect to the debt securities of that series.

The indenture requires the annual filing with the trustee of a certificate signed by the principal executive officer, the principal financial officer or the principal accounting officer of Baxter that states whether Baxter is in default under the terms, provisions or conditions of the indenture.

Notwithstanding any other provision of the indenture, the holder of a debt security will have the right, which is absolute and unconditional, to receive payment of the principal of, and premium, if any, and interest, if any, on that debt security on the respective due dates for those payments and to institute suit for the enforcement of those payments, and this right will not be impaired without the consent of the holder.

Modification and Waivers

The indenture permits Baxter and the trustee, with the consent of the holders of a majority in aggregate principal amount of the outstanding debt securities of a series affected by a modification or amendment, to modify or amend any of the provisions of the indenture or of the debt securities or the rights of the holders of the debt securities under the indenture. However, no modification or amendment may, without the consent of the holder of each outstanding debt security affected by the modification or amendment, among other things:

- change the stated maturity of the principal of, or premium, if any, or any installment of interest, if any, with respect to the debt securities;
- reduce the principal of or any premium on the debt securities or reduce the rate of interest on or the redemption or repurchase price of the debt securities;
- change any place where or the currency in which the principal of, any premium or interest on, any debt security is payable;
- impair a holder's right to institute suit to enforce any payment on or after the stated maturity of the debt securities or, in the case of redemption, on or after the redemption date;
- reduce the percentage in principal amount of outstanding debt securities whose holders must consent to any modification or amendment or any waiver of compliance with specific provisions of the indenture or specified defaults under the indenture and their consequences;

- make certain modifications to the provisions for modification of the indenture and for certain waivers, except to increase the principal amount of outstanding debt securities necessary to consent to any such change; or
- make any change that adversely affects the right, if any, to convert or exchange any debt security for common stock or other securities in accordance with its terms.
- The indenture also contains provisions permitting Baxter and the trustee, without the consent of the holders of the debt securities, to modify or amend the indenture, among other things:
- to convey, transfer, assign, mortgage or pledge to the trustee as security for the debt securities any property or assets which Baxter may desire;
- to evidence succession of another corporation to Baxter, or its successors, and the assumption by the successor corporation of the covenants, agreements and obligations of Baxter;
- to add covenants and agreements of Baxter to those included in the indenture for the protection of holders of debt securities and to make the occurrence of a default of any such covenants or agreements a default or an event of default permitting enforcement of the remedies set forth in the indenture;
- to add, delete or modify the events of default with respect to any series of debt securities the form and terms of which are being established pursuant to such supplemental indenture;
- to prohibit the authentication and delivery of additional series of debt securities under the indenture;
- to cure any ambiguity or correct or supplement any provision contained in the indenture or any supplemental indenture which may be defective or inconsistent with any other provisions contained therein;
- to make such other provisions in regard to matters or questions arising under the indenture as are not inconsistent with the provisions of the indenture or any supplemental indenture and shall not adversely affect the interests of the holders of the debt securities in any material respect;
- to establish the form and terms of debt securities of any series issued under the indenture; or
- to evidence and provide for acceptance of appointment under the indenture by a successor trustee with respect to the debt securities of one or more series or to add to or change any of the provisions of the indenture as shall be necessary to provide for or facilitate the administration of the trusts under the indenture by more than one trustee.

The holders of a majority in aggregate principal amount of the outstanding debt securities may waive our compliance with some of the restrictive provisions of the indenture. The holders of a majority in aggregate principal amount of the outstanding debt securities may, on behalf of all holders of debt securities, waive any past default under the indenture with respect to the debt securities and its consequences, except a default in the payment of the principal of, or premium, if any, or interest, if any, on the debt securities or a default in respect of a covenant or provision which cannot be modified or amended without the consent of the holder of each outstanding debt security.

In order to determine whether the holders of the requisite principal amount of the outstanding debt securities have taken an action under an indenture as of a specified date:

- the principal amount of an "original issue discount security" that will be deemed to be outstanding will be the amount of the principal that would be due and payable as of that date upon acceleration of the maturity to that date,

ank-20250710;20250711108909

- if, as of that date, the principal amount payable at the stated maturity of a debt security is not determinable, for example, because it is based on an index, the principal amount of the debt security deemed to be outstanding as of that date will be an amount determined in the manner prescribed for the debt security,
- the principal amount of a debt security denominated in one or more foreign currencies or currency units that will be deemed to be outstanding will be the U.S. currency equivalent, determined as of that date in the manner prescribed for the debt security, of the principal amount of the debt security or, in the case of a debt security described in the two preceding bullet points, of the amount described above, and
- debt securities owned by us or any other obligor upon the debt securities or any of our or their affiliates will be disregarded and deemed not to be outstanding.

ank-20250710

Satisfaction and Discharge

Upon the direction of Baxter, the indenture will cease to be of further effect with respect to any debt security specified, subject to the survival of specified provisions of the indenture, when:

- either: (i) all debt securities issued under the indenture, subject to exceptions, have been delivered to the trustee for cancellation; or (ii) all debt securities issued under the indenture have become due and payable or will become due and payable at their stated maturity within one year or are to be called for redemption within one year and Baxter has deposited with the trustee, in trust, funds in United States dollars, or direct or indirect obligations of the United States ("government obligations") in an amount sufficient to pay the entire indebtedness on the debt securities including the principal, premium, if any, interest, if any, to the date of the deposit, if the debt securities have become due and payable, or to the maturity or redemption date of the debt securities, as the case may be;
- Baxter has paid all other sums payable under the indenture with respect to the outstanding debt securities issued under the indenture; and
- the trustee has received each officer's certificate and opinion of counsel called for by the indenture.

Defeasance and Covenant Defeasance

Baxter may elect with respect to the debt securities issued under the indenture either

- to defease and be discharged from all of its obligations with respect to the outstanding debt securities ("defeasance"), except for, among other things,
- the obligation to register the transfer or exchange of the debt securities,
- the obligation to replace temporary or mutilated, destroyed, lost or stolen debt securities,
- the obligation to maintain an office or agency in respect of the debt securities, and
- the obligation to hold monies for payment in trust; or
- to be released from its obligations with respect to the debt securities under specified covenants in the indenture including those described under the heading "Certain Covenants — Restrictions on the creation of secured debt", and any omission to comply with those obligations will not constitute a default or an event of default with respect to the debt securities ("covenant defeasance"),

in either case upon the irrevocable deposit by Baxter with the trustee, or other qualifying trustee, in trust for that purpose, of an amount in United States dollars and/or government obligations which, through the payment of principal and interest in accordance with their terms, will provide money in an amount sufficient to pay the principal, premium, if any, and interest, if any, on the due dates for those payments.

The defeasance or covenant defeasance described above will only be effective if, among other things:

- it will not result in a breach or violation of, or constitute a default under, the indenture or any other material agreement or instrument to which Baxter is a party or is bound;
- in the case of defeasance, Baxter will have delivered to the trustee an opinion of independent counsel confirming that Baxter has received from or there has been published by the Internal Revenue Service a ruling, or
- since the date of the indenture there has been a change in applicable federal income tax law,

in either case to the effect that, and based on this ruling or change in law, the opinion of counsel will confirm that the holders of the debt securities then outstanding will not recognize income, gain or loss for federal income tax purposes as a result of the defeasance and will be subject to federal income tax on the same amounts, in the same manner and at the same times as would have been the case if the defeasance had not occurred;

- in the case of covenant defeasance, Baxter will have delivered to the trustee an opinion of independent counsel to the effect that the holders of the debt securities then outstanding will not recognize income, gain or loss for federal income tax purposes as a result of the covenant defeasance and will be subject to federal income tax on the same amounts, in the same manner and at the same times as would have been the case if the covenant defeasance had not occurred;
- if the cash and/or government obligations deposited are sufficient to pay the principal of, and premium, if any, and interest, if any, with respect to the debt securities provided the debt securities are redeemed on a particular redemption date, Baxter will have given the trustee irrevocable instructions to redeem the debt securities on that date; and
- no event of default or event which with notice or lapse of time or both would become an event of default with respect to the debt securities will have occurred and be continuing on the date of the deposit into trust, and, solely in the case of defeasance, no event of default or event which with notice or lapse of time or both would become an event of default arising from specified events of bankruptcy, insolvency or reorganization with respect to Baxter will have occurred and be continuing during the period through and including the 91st day after the date of the deposit into trust.

In the event covenant defeasance is effected with respect to the debt securities and those debt securities are declared due and payable because of the occurrence of any event of default other than an event of default with respect to the covenants as to which covenant defeasance has been effected, which would no longer be applicable to the debt securities after covenant defeasance, the amount of monies and/or government obligations deposited with the trustee to effect covenant defeasance may not be sufficient to pay amounts due on the debt securities at the time of any acceleration resulting from that event of default. However, Baxter would remain liable to make payment of those amounts due at the time of acceleration.

Listing

The 2025 Notes are traded on The New York Stock Exchange under the bond trading symbol of "Bax 25".

Governing Law

The indenture is, and the notes are, governed by and construed in accordance with the laws of the State of New York, as applied to contracts made and performed within the State of New York, without regard to principles of conflicts of law.

The Trustee, Registrar and Paying Agent

The Bank of New York Mellon Trust Company, N.A. is the trustee and registrar and The Bank of New York Mellon, London Branch is the paying agent with respect to the notes. Neither the trustee nor the paying agent shall be responsible for monitoring our rating status, making any request upon any Rating Agency, or determining whether any Rating Event or Change of Control Triggering Event has occurred.

Notices

So long as any notes are represented by a global note and such global note is held on behalf of a clearing system, (i) notices to the holders of notes of the series may be given by delivery of the relevant notice to that clearing system for communication by it to entitled accountholders, and (ii) notices of holders of notes may be given to us through the clearing systems in accordance with the rules and regulations of the clearing systems in effect from time to time.

ank=0002507110891

DESCRIPTION OF 1.3% SENIOR NOTES DUE 2029

The Company Previously filed a registration statement on Form S-3 (File No. 333-226987), which was filed with the Securities and Exchange Commission on August 23, 2018 and covers the issuance of the Company's 1.3% Senior Notes due 2029. The following description is a summary and does not purport to be complete. It is subject to and qualified in its entirety by reference to the indenture, dated as of August 8, 2006 (the "Base Indenture"), between Baxter International Inc. and J.P. Morgan Trust Company, N.A., as trustee, as supplemented by the twelfth supplemental indenture, dated as of May 15, 2019, which is incorporated by reference as exhibit to the Annual Report on Form 10-K of which this Exhibit 4.9 is a part.

General

We initially issued €750,000,000 aggregate principal amount of fixed rate notes that will mature on May 15, 2029. We will make each interest payment to the holders in whose names the notes are registered at the close of business on the date that is (i) in the case of notes represented by a global note, the clearing system business day (which, for these purposes, is a day on which Euroclear and Clearstream, Luxembourg settle payments in euros) immediately prior to the relevant interest payment date and (ii) in all other cases, 15 calendar days prior to the relevant interest payment date (whether or not a business day) (for the purposes of clauses (i) and (ii), such day, the "Record Date"). Interest on the notes began to accrue from May 15, 2019.

We may, from time to time, without the consent of the holders of the notes, issue additional notes on terms and conditions substantially identical to those of the notes (except for the issue date and, in some cases, the initial interest payment date), so that such additional notes will increase the aggregate principal amount of, and will be consolidated and form a single series with, the notes and will otherwise have the same terms as the notes; provided that we will not issue such additional notes as part of the same series as the outstanding notes, unless the additional notes are fungible with the outstanding notes for U.S. federal income tax purposes.

We issued the notes in registered form, each represented by one or more global notes registered in the name of a nominee of, and deposited with, a common depositary for Euroclear and Clearstream, Luxembourg (which we may refer to along with its successors in such capacity as the common depositary). The notes were issued exclusively in registered form and in the minimum denomination of €100,000, and in integral multiples of €1,000 in excess thereof.

The notes are not subject to a sinking fund provision.

Interest on the Notes

The notes accrue interest at a rate of 1.300% per annum. Interest on the notes is payable annually in arrears on May 15 of each year, beginning on May 15, 2020.

Interest on the notes is computed on the basis of the actual number of days in the period for which interest is being calculated and the actual number of days from and including the last date on which interest was paid on the notes (or from May 15, 2019, if no interest has been paid on the notes) to, but excluding, the next scheduled interest payment date. This payment convention is referred to as ACTUAL/ACTUAL (ICMA) (as defined in the rulebook of the International Capital Market Association).

Ranking

The notes are our direct, unsecured and unsubordinated obligations and will rank equal in priority of payment with all of our other existing and future unsecured and unsubordinated indebtedness, and senior in right of payment to any future subordinated indebtedness. In addition to the notes, we may issue other series of debt securities under the indenture. There is no limit on the total aggregate principal amount of debt securities that we can issue under the indenture.

0710-20250711085011
ank=2025

The notes will be structurally subordinated to all indebtedness and other liabilities, including trade payables, of our subsidiaries.

Issuance in Euros

Initial holders of the notes were required to pay for the notes in euros, and principal, premium, if any, and interest payments and additional amounts, if any, in respect of the notes will be payable in euros, except as described below.

If the euro is unavailable to us due to the imposition of exchange controls or other circumstances beyond our control or the euro is no longer used by the then member states of the European Monetary Union that have adopted the euro as their currency or for the settlement of transactions by public institutions within the international banking community, then all payments in respect of the notes will be made in U.S. dollars until the euro is again available to us or so used. In such circumstances, the amount payable on any date in euros will be converted to U.S. dollars on the basis of the most recently available market exchange rate for euros, as determined by us in our sole discretion. Any payment in respect of the notes so made in U.S. dollars will not constitute an event of default under the indenture or the notes. Neither the trustee nor the paying agent will be responsible for obtaining exchange rates, effecting conversions or otherwise handling redenominations.

Payment of Additional Amounts

All payments in respect of the notes will be made by or on behalf of us without withholding or deduction for, or on account of, any present or future taxes, duties, assessments or governmental charges of whatever nature, imposed or levied by the United States or any taxing authority thereof or therein, unless such withholding or deduction is required by law. If such withholding or deduction is required by law, we will pay to a beneficial owner who is not a United States person (as defined below) such additional amounts on the notes as are necessary in order that the net payment of the principal of, and premium or redemption price, if any, and interest on, such notes to such beneficial owner, after such withholding or deduction (including any withholding or deduction on such additional amounts), will not be less than the amount provided in such notes to be then due and payable; provided, however, that the foregoing obligation to pay additional amounts will not apply:

a) to any tax, assessment or other governmental charge that would not have been imposed but for the beneficial owner, or a fiduciary, settlor, beneficiary, member or shareholder of the beneficial owner if the beneficial owner is an estate, trust, partnership or corporation, or a person holding a power over an estate or trust administered by a fiduciary holder, being considered as (i) having a current or former connection with the United States (other than a connection arising solely as a result of the ownership of such notes, the receipt of any payment or the enforcement of any rights thereunder), including being or having been a citizen or resident of the United States, or being or having been engaged in a trade or business in the United States or having or having had a permanent establishment n the United States; (ii) being a controlled foreign corporation related to Baxter directly, indirectly or constructively through stock ownership for U.S. federal income tax purposes; or (iii) being an owner of a 10% or greater interest in voting stock of Baxter within the meaning of Section 871(h)(3) of the U.S. Internal Revenue Code of 1986, as amended (the "Code") or any successor provision;

b) to any holder that is not the sole beneficial owner of such notes, or a portion of such notes, or that is a fiduciary, partnership or limited liability company, but only to the extent that a beneficiary or settlor with respect to the fiduciary, a beneficial owner or a member of the partnership or limited liability company would not have been entitled to the payment of an additional amount had the beneficiary, settlor, beneficial owner or member received directly from Baxter its beneficial or distributive share of the payment;

c) to any tax, assessment or other governmental charge imposed by reason of the holder's or beneficial owner's past or present status as a passive foreign investment company, a controlled foreign corporation, a foreign tax exempt organization or a personal holding company with respect to the United States or as a corporation that accumulates earnings to avoid U.S. federal income tax;

d) to any tax, assessment or other governmental charge that would not have been imposed but for the failure of the holder or beneficial owner of the applicable notes to comply with any applicable certification, identification or information reporting requirements concerning the nationality, residence, identity or connection with the United States of the holder or beneficial owner of such notes, if compliance is required by statute, by regulation of the United States or any taxing authority therein or by an applicable income tax treaty to which the United States is a party as a precondition to exemption from such tax, assessment or other governmental charge;

e) to any tax, assessment or other governmental charge that is imposed otherwise than by withholding or deducting from the payment;

f) to any estate, inheritance, gift, sales, transfer, wealth, capital gains or personal property tax or similar tax, assessment or other governmental charge;

g) to any tax, assessment or other governmental charge required to be withheld by any paying agent from any payment of principal of or interest on any such note, if such payment can be made without such withholding by at least one other paying agent;

h) to any tax, assessment or other governmental charge that is imposed or withheld solely by reason of a change in law, regulation, or administrative or judicial interpretation that becomes effective more than 15 days after the payment becomes due or is duly provided for, whichever occurs later;

i) to any tax, assessment or other governmental charge that would have been imposed but for presentation by the holder of any note, where presentation is required, for payment on a date more than 30 days after the date on which payment became due and payable or the date on which payment thereof is duly provided for, whichever occurs later, except to the extent that the holder or beneficial owner thereof would have been entitled to additional amounts had the note been presented for payment on the last day of such 30 day period;

j) (to any withholding or deduction that is imposed on a payment pursuant to Sections 1471 through 1474 of the Code and related Treasury regulations and pronouncements or any successor provisions thereto (that are substantively comparable and not materially more onerous to comply with) and any regulations or official law, agreement or interpretations thereof in any jurisdiction implementing an intergovernmental approach thereto; or

k) in the case of any combination of the above listed items.

Except as specifically provided under this heading "—Payment of Additional Amounts," we will not be required to make any payment for any present or future tax, duty, assessment or governmental charge of whatever nature imposed by any government or a political subdivision or taxing authority of or in any government or political subdivision.

As used under this heading "—Payment of Additional Amounts" and under the heading "—Redemption for Tax Reasons" the term "United States" means the United States of America, any state thereof, and the District of Columbia, and the term "United States person" means (i) any individual who is a citizen or resident of the United States for U.S. federal income tax purposes, (ii) a corporation, partnership or other entity created or organized in or under the laws of the United States, any state thereof or the District of Columbia (other than a partnership that is not treated as a United States person for U.S. federal income

tax purposes), (iii) any estate the income of which is subject to U.S. federal income taxation regardless of its source, or (iv) any trust if a U.S. court can exercise primary supervision over the administration of the trust and one or more United States persons can control all substantial trust decisions, or if a valid election is in place to treat the trust as a United States person.

0250710-20250711089912 ank 2

Optional Redemption

The notes, at any time prior to the date that is three months prior to their maturity date (the "Par Call Date"), will be redeemable, in whole at any time or in part, from time to time, at our option, at a "make-whole" redemption price equal to the greater of (1) 100% of the principal amount of the notes to be redeemed plus accrued and unpaid interest (including any additional amounts), if any, to, but excluding, the date of redemption, and (2) the sum of the present values of the principal amount of the notes to be redeemed and the scheduled payments of interest thereon (exclusive of interest accrued to the date of redemption) from the redemption date to the Par Call Date for the notes, discounted to the date of redemption on an annual basis (ACTUAL/ACTUAL (ICMA)) at the applicable Comparable Government Bond Rate, as defined below, plus 25 basis points, plus accrued and unpaid interest (including any additional amounts), if any, to, but excluding, the date of redemption. We will calculate the redemption price.

On or after the Par Call Date, the notes will be redeemable, in whole at any time or in part, from time to time, at our option, at a redemption price equal to 100% of the principal amount of the notes to be redeemed, plus accrued and unpaid interest (including any additional amounts), if any, to, but excluding, the date of redemption.

"Comparable Government Bond" means, in relation to any Comparable Government Bond Rate (as defined below) calculation, at the discretion of the Independent Investment Bank (as defined below) selected by us, a bond that is a direct obligation of the Federal Republic of Germany ("German government bond"), whose maturity is closest to the Par Call Date, or if the Independent Investment Bank in its discretion determines that such similar bond is not in issue, such other German government bond as the Independent Investment Bank may, with the advice of three brokers of, and/or market makers in, German government bonds selected by us, determine to be appropriate for determining the Comparable Government Bond Rate.

"Comparable Government Bond Rate" means the yield to maturity, expressed as a percentage (rounded to three decimal places, with 0.0005 being rounded upwards), on the third business day in London prior to the date fixed for redemption, of the Comparable Government Bond on the basis of the middle market price of the Comparable Government Bond prevailing at 11:00 a.m. (London time) on such business day as determined by the Independent Investment Bank selected by us.

"Independent Investment Bank" means one of the Reference Bond Dealers that we shall appoint to act as the Independent Investment Bank.

"Reference Bond Dealers" means Barclays Bank PLC, Citigroup Global Markets Limited and Merrill Lynch International (or their respective affiliates that are Primary Bond Dealers (as defined below)) and their respective successors; provided, however, that if any of the foregoing shall cease to be a broker or dealer of, and/or market maker in, German government bonds (a "Primary Bond Dealer"), we will substitute therefor another Primary Bond Dealer.

To exercise our option to redeem the notes, we will give each holder of notes to be redeemed a notice in writing at least 10 days but not more than 60 days before the redemption date (i) in the case of notes represented by a global note, to and through Euroclear or Clearstream, Luxembourg for communication by them to the holders of interests in the notes to be so redeemed, or (ii) in the case of definitive notes, to each holder of record of the notes to be redeemed at its registered address. If we elect to redeem fewer than all the notes, the trustee will select the particular notes to be redeemed by such method as the

trustee deems fair and appropriate and in accordance with the indenture, subject to applicable procedures of Euroclear and Clearstream, Luxembourg as to global notes. Notices of redemption may be subject to the satisfaction of one or more conditions precedent established by us in our sole discretion.

Unless a default occurs in payment of the redemption price, from and after the redemption date interest will cease to accrue on the notes or portions thereof called for redemption.

Redemption for Tax Reasons

If, as a result of any change in, or amendment to, the laws (or any regulations or rulings promulgated under the laws) of the United States (or any taxing authority thereof or therein), or any change in, or amendments to, an official position regarding the application or interpretation of such laws, regulations or rulings, which change or amendment is announced or becomes effective on or after the date of this prospectus supplement, we become or, based upon a written opinion of independent tax counsel of recognized standing selected by us, will become obligated to pay additional amounts as described herein under the heading "—Payment of Additional Amounts" with respect to the notes, then we may at our option redeem the notes at any time, in whole, but not in part, having given not less than 10 nor more than 60 days prior notice, (i) in the case of notes represented by a global note, to and through Euroclear or Clearstream, Luxembourg for communication by them to the holders of interests in the notes to be redeemed, or (ii) in the case of definitive notes, to each holder of record of the notes to be redeemed at its registered address, at a redemption price equal to 100% of the principal amount, plus accrued and unpaid interest (including any additional amounts), if any, to, but excluding, the date of redemption.

Offer to Purchase Upon Change of Control Triggering Event

If a Change of Control Triggering Event occurs, other than with respect to the notes for which we have exercised our option to redeem as described above, we will be required to make an offer (the "Change of Control Offer") to each holder of the notes to repurchase all or any part (equal to €100,000 and integral multiples of €1,000 in excess thereof) of that holder's notes on the terms set forth in the notes. In the Change of Control Offer, we will be required to offer payment in cash equal to 101% of the aggregate principal amount of notes to be repurchased, plus accrued and unpaid interest (including any additional amounts), if any, on the notes to be repurchased to, but excluding, the date of repurchase (the "Change of Control Payment"), subject to the right of holders of record of the notes on the relevant Record Date to receive interest due on the relevant interest payment date. Within 30 days following any Change of Control Triggering Event or, at our option, prior to any Change of Control, but after public announcement of the transaction that constitutes or may constitute the Change of Control, we will give notice, (i) in the case of notes represented by a global note, to and through Euroclear or Clearstream, Luxembourg for communication by them to the holders of interests in the notes, or (ii) in the case of definitive notes, to each holder of record of the notes at its registered address, with a copy to the trustee describing the transaction that constitutes or may constitute the Change of Control Triggering Event and offering to repurchase such notes on the date specified in the notice, which date will be no earlier than 30 days and no later than 60 days from the date such notice is given (the "Change of Control Payment Date"). The notice will, if given prior to the date of consummation of the Change of Control, state that the offer to purchase is conditioned on the Change of Control Triggering Event occurring on or prior to the Change of Control Payment Date.

On the Change of Control Payment Date, we will, to the extent lawful:

- accept for payment all notes or portions of notes properly tendered pursuant to the Change of Control Offer;
- deposit with the paying agent an amount equal to the Change of Control Payment in respect of all notes or portions of notes properly tendered; and

ani=20250710-20250710:8913

- deliver or cause to be delivered to the trustee such notes properly accepted together with an officers' certificate stating the aggregate principal amount of notes or portions of notes being repurchased.

We will not be required to comply with the obligations relating to repurchasing the notes if a third party instead satisfies them. In addition, we will not repurchase any notes if there has occurred and is continuing on the Change of Control Payment Date an event of default under the indenture with respect to such notes, other than a default in the payment of the Change of Control Payment upon a Change of Control Triggering Event.

We will comply with the requirements of Rule 14e-1 under the Securities Exchange Act of 1934, as amended (the "Exchange Act"), and any other securities laws and regulations applicable to the repurchase of the notes as a result of a Change of Control Triggering Event. To the extent that the provisions of any such securities laws or regulations conflict with the change of control offer provisions of the notes, we will comply with those securities laws and regulations and will not be deemed to have breached our obligations under the change of control offer provisions of the notes by virtue of any such conflict.

If a Change of Control Offer is made, there can be no assurance that we will have available funds sufficient to make the Change of Control Payment for all of the notes that may be tendered for repurchase. See "Risk Factors—We may not be able to repurchase all of the notes upon a change of control triggering event, which would result in a default under the notes."

For purposes of the change of control offer provisions of the notes, the following terms will be applicable:

"Change of Control" means the occurrence of any of the following: (1) the consummation of any transaction (including, without limitation, any merger or consolidation) the result of which is that any "person" (as that term is used in Section 13(d)(3) of the Exchange Act), other than us or one of our subsidiaries, becomes the beneficial owner (as defined in Rules 13d-3 and I3d-5 under the Exchange Act), directly or indirectly, of more than 50% of our Voting Stock or other Voting Stock into which our Voting Stock is reclassified, consolidated, exchanged or changed, measured by voting power rather than number of shares, (2) the direct or indirect sale, transfer, conveyance or other disposition (other than by way of merger or consolidation), in one or a series of related transactions, of all or substantially all of our assets and the assets of our subsidiaries, taken as a whole, to one or more "persons" (as that term is defined in the indenture), other than us or one of our subsidiaries or (3) the adoption of a plan relating to our liquidation or dissolution. Notwithstanding the foregoing, a transaction will not be deemed to be a Change of Control if (1) we become a direct or indirect wholly-owned subsidiary of a holding company and (2)(A) the direct or indirect holders of the Voting Stock of such holding company immediately following that transaction are substantially the same as the holders of our Voting Stock immediately prior to that transaction or (B) immediately following that transaction no "person" (as that term is used in Section 13(d)(3) of the Exchange Act) (other than a holding company satisfying the requirements of this sentence) is the beneficial owner, directly or indirectly, of more than 50% of the Voting Stock of such holding company.

"Change of Control Triggering Event" means the occurrence of both a Change of Control and a Rating Event.

"Investment Grade Rating" means a rating equal to or higher than Baa3 (or the equivalent) by Moody's and BBB- (or the equivalent) by S&P, and the equivalent investment grade credit rating from any replacement Rating Agency or Rating Agencies.

"Moody's" means Moody's Investors Service, Inc.

"Rating Agencies" means (1) each of Moody's and S&P, and (2) if either Moody's or S&P ceases to rate the notes or fails to make a rating of the notes publicly available for reasons outside of our control, a

"nationally recognized statistical rating organization" within the meaning of Section 3(a)(62) of the Exchange Act selected by us (as certified by a resolution of our board of directors) as a replacement agency for Moody's or S&P, or both of them, as the case may be.

"Rating Event" means the rating on the notes is lowered by each of the Rating Agencies and the notes are rated below an Investment Grade Rating by each of the Rating Agencies on any day within the 60-day period (which 60-day period will be extended so long as the rating of the notes is under publicly announced consideration for a possible downgrade by any of the Rating Agencies but no longer than 180 days) after the earlier of (1) the occurrence of a Change of Control and (2) public notice of our intention to effect a Change of Control; provided, however, that a Rating Event otherwise arising by virtue of a particular reduction in rating will not be deemed to have occurred in respect of a particular Change of Control (and thus will not be deemed a Rating Event for purposes of the definition of Change of Control Triggering Event) if the Rating Agencies making the reduction in rating to which this definition would otherwise apply do not announce or publicly confirm to us in writing at our request that the reduction was the result, in whole or in part, of any event or circumstance comprised of or arising as a result of, or in respect of, the applicable Change of Control (whether or not the applicable Change of Control has occurred at the time of the Rating Event).

"S&P" means S&P Global Ratings, a division of S&P Global, Inc.

"Voting Stock" means, with respect to any specified "person" (as that term is used in Section 13(d)(3) of the Exchange Act), as of any date, the capital stock of such person that is at the time entitled to vote generally in the election of the board of directors of such person.

The definition of Change of Control includes a phrase relating to the direct or indirect sale, transfer, conveyance or other disposition, in one or a series of related transactions, of "all or substantially all" of our assets and the assets of our subsidiaries, taken as a whole. Although there is a limited body of case law interpreting the phrase "substantially all," there is no precise established definition of such phrase under applicable law. Accordingly, the ability of a holder of the notes to require us to repurchase that holder's notes as a result of the sale, transfer, conveyance or other disposition of less than all of our assets and the assets of our subsidiaries, taken as a whole, to one or more persons may be uncertain.

Our obligation to purchase the notes following a Change of Control Triggering Event is subject to the provisions described in the accompanying prospectus described in the section entitled "Description of Debt Securities—Defeasance and Covenant Defeasance."

Assumption of Obligations

If we become a direct or indirect wholly-owned subsidiary of a holding company, such holding company may elect to assume our obligations (or those of any entity which shall have previously assumed our obligations) under the notes; provided, that the successor entity expressly assumes such obligations, and will be substituted in all respects, under the indenture, in a form satisfactory to the trustee, and we are released from all of our obligations under the notes.

Upon any such assumption, the successor entity will succeed to, and be substituted for, and may exercise all of our rights and powers under the indenture with respect to the notes with the same effect as if the successor entity had been named under the indenture.

Book-Entry Procedures, Delivery and Form

The notes were issued in the form of one or more permanent global notes in fully registered, book-entry form. The global notes are registered in the name of a nominee of, and deposited with, a common depositary for Euroclear and Clearstream, Luxembourg. The notes were not issued in a form that would, on the date of issuance, enable them to satisfy the European Central Bank's criteria to be recognized as eligible collateral for Eurosystem monetary policy and intra-day credit operations by the Eurosystem. Any

ark=20250710-202507110891 4

such recognition in the future will depend upon the European Central Bank being satisfied that the Eurosystem eligibility criteria then in effect have been met.

Except as set forth below, the global notes may be transferred, in whole and not in part, only to another nominee of Euroclear or Clearstream, Luxembourg. Beneficial interests in the global notes may not be exchanged for definitive notes except in the limited circumstances described below. See "—Exchange of Global Notes for Definitive Notes." Except in the limited circumstances described below, owners of beneficial interests in the global notes will not be entitled to receive definitive notes.

Global Clearance and Settlement

The description in this section reflects our understanding of the rules and procedures of Euroclear and Clearstream, Luxembourg as they are in effect as of the date of this prospectus supplement. Those systems could change their rules and procedures at any time.

Beneficial interests in the global notes will be represented through book-entry accounts of financial institutions acting on behalf of beneficial owners as accountholders in Euroclear and Clearstream, Luxembourg (together, the "ICSDs"). Investors may hold interests in the global notes through either Euroclear or Clearstream, Luxembourg, either directly if they are accountholders in such systems, or indirectly through organizations that are accountholders in such systems.

Euroclear and Clearstream, Luxembourg each holds securities of institutions that have accounts with the ICSD ("participants") and facilitates the clearance and settlement of securities transactions among their participants in such securities by electronic book-entry transfer between their respective participants, thereby eliminating the need for physical movement of securities certificates. The ICSDs' participants include securities brokers and dealers (which may include the underwriters), banks, trust companies, clearing corporations and certain other organizations. Access to the ICSDs' book-entry system is also available to others such as banks, brokers, dealers and trust companies ("indirect participants") that clear through or maintain a custodial relationship with a participant, whether directly or indirectly. Euroclear and Clearstream, Luxembourg provide various services including safekeeping, administration, clearance and settlement of internationally traded securities and securities *lending and borrowing. Euroclear and Clearstream, Luxembourg also deal with domestic securities markets in several countries through* established depository and custodial relationships. Euroclear and Clearstream, Luxembourg have established an electronic bridge between their two systems across which their respective participants may settle trades with each other.

We expect that pursuant to procedures established by the ICSDs, upon the deposit of the global notes with the common depositary, the ICSDs will credit, on their book-entry registration and transfer systems, the interest in the notes represented by such global notes to the accounts of participants. The accounts to be credited shall be designated by the underwriters of the notes. Ownership of beneficial interests in the global notes will be limited to participants or persons that may hold interests through participants. Ownership of beneficial interests in the global notes will be shown on, and the transfer of those ownership interests will be effected only through, records maintained by the ICSDs (with respect to participants' interests) and such participants and indirect participants (with respect to the owners of beneficial interests in the global notes other than participants).

So long as the nominee of the common depositary is the registered holder and owner of the global notes, such nominee will be considered the sole legal owner and holder of the notes evidenced by the global notes for all purposes of such notes. Except as set forth below, as an owner of a beneficial interest in the global notes, you will not be entitled to have the notes represented by the global notes registered in your name, will not receive or be entitled to receive physical delivery of definitive notes and will not be considered to be the owner or holder of any notes under the global notes. We understand that under existing industry practice, in the event an owner of a beneficial interest in the global notes desires to take any action that the nominee of the common depositary, as the holder of the global notes, is entitled to

take, the common depositary will authorize the participants to take such action, and that the participants will authorize beneficial owners owning through such participants to take such action or would otherwise act upon the instructions of beneficial owners owning through them.

All payments on notes represented by the global notes registered in the name of the nominee of the common depositary will be made to the ICSDs or the nominee of the common depositary, as the case may be, as the registered owner and holder of the global notes, and our obligations to make payment on notes will, to the extent of such payments to the ICSDs or, as the case may be, the nominee of the common depositary, be discharged.

We expect that the ICSDs, upon receipt of any payment on the global notes, will credit participants' accounts with payments in amounts proportionate to their respective beneficial interests in the global notes as shown on the records of the ICSDs. We also expect that payments by participants or indirect participants to owners of beneficial interests in the global notes held through such participants or indirect participants will be governed by standing instructions and customary practices and will be the responsibility of such participants or indirect participants. We will not have any responsibility or liability for any aspect of the records relating to, or payments made on account of, beneficial ownership interests in the global notes for any notes or for maintaining, supervising or reviewing any records relating to such beneficial ownership interests or for any other aspect of the relationship between the ICSDs and their participants or indirect participants or the relationship between such participants or indirect participants and the owners of beneficial interests in the global notes owning through such participants or indirect participants.

Although the ICSDs customarily operate the foregoing procedures in order to facilitate transfers of interests in the global notes among participants or indirect participants of the ICSDs, they are under no obligation to perform or continue to perform such procedures, and such procedures may be discontinued at any time. Neither we nor the trustee will have any responsibility or liability for the performance by either ICSD or its participants or indirect participants of their respective obligations under the rules and procedures governing their operations.

Secondary Transfers

Transfers of any interests in notes represented by a global note within Euroclear and Clearstream, Luxembourg will be effected in accordance with the customary rules and operating procedures of the relevant clearing system.

On or after the issue date of the notes, transfers of notes represented by a global note between accountholders in Clearstream, Luxembourg and Euroclear will generally have a settlement date two clearing system business days (which, for these purposes, is a day on which Euroclear and Clearstream, Luxembourg settle payments in euro) after the trade date (T+2).

None of the us, the trustee, the paying agent or any underwriter will be responsible for any performance by Euroclear or Clearstream, Luxembourg or their accountholders of their respective obligations under the rules and procedures governing their operations and none of them will have any liability for any aspect of the records relating to or payments made on account of beneficial interests in the notes represented by a global note or for maintaining, supervising or reviewing any records relating to such beneficial interests.

Same-Day Settlement and Payment

We will make payments in respect of the notes represented by the global notes (including principal, premium, if any, and interest and additional amounts, if any) by wire transfer of immediately available funds to the account specified by the paying agent; provided, however, that at our option payment in respect of definitive notes may be made by (1) check mailed to the address of the person entitled thereto as such address shall appear in the security register on the Record Date or (2) wire transfer as directed by the holder of the relevant notes, in immediately available funds to accounts maintained by the holder of

ank=20250710089915

notes or its nominee; provided further that in the case of a definitive note (x) the holder thereof shall have provided written wiring instructions to the paying agent on or before the related Record Date and (y) if appropriate instructions for any such wire transfer are not received by the related Record Date, then such payment shall be made by check mailed to the address of such holder specified in the security register on the Record Date.

If the principal of or any premium or interest or additional amounts on the notes or amounts payable upon any redemption of the notes is payable on a day that is not a Payment Business Day, the payment will be made on the following Payment Business Day without the accrual of any interest on that payment.

For these purposes "Payment Business Day" means any day that is:

a) a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in New York City and the City of London and, in the case of definitive notes only, the relevant place of presentation; and

b) a day on which the TARGET 2 System is open for the settlement of payment in euros.

For these purposes "TARGET 2 System" means the Trans-European Automatic Real-Time Gross Settlement Express Transfer (TARGET 2) System (or any successor thereto).

Exchange of Global Notes for Definitive Notes

We will issue definitive notes upon surrender of the global notes in accordance with their terms only if:

a) an Event of Default has occurred and is continuing; or

b) either Euroclear or Clearstream, Luxembourg is closed for business for a continuous period of 14 days or more (other than by reason of holiday, statutory or otherwise) or announces an intention permanently to cease business or does in fact do so and no alternative clearing system satisfactory to the trustee is available; or

c) we would suffer a disadvantage as a result of a change in laws or regulations (taxation or otherwise) or as a result of a change in the practice of Euroclear and/or Clearstream, Luxembourg which would not be suffered were the notes in definitive form and a certificate to such effect signed by one of our authorized signatories is given to the trustee.

Thereupon (in the case of (a) or (b) above) the holder of a global note (acting on behalf of one or more of the accountholders) or the trustee may give notice to us and (in the case of (c) above) we may give notice to the trustee and the noteholders, of our intention to exchange a global note for definitive notes on or after the Exchange Date (as defined below).

On or after the Exchange Date the holder of the global note may, or in the case of (c) above, shall surrender it to or to the order of the trustee or registrar. In exchange for the global note, we shall deliver, or procure the delivery of, an equal aggregate principal amount of definitive notes, security printed in accordance with any applicable legal and stock exchange requirements. On exchange of the global note, we will procure that it is cancelled.

For these purposes, "Exchange Date" means a day specified in the notice requiring exchange falling not less than 60 days after that on which the notice requiring exchange is given and being a day on which banks are open for general business in London, the place in which the specified office of the trustee is located and, except in case of exchange pursuant to (b) above, in the place in which Euroclear and Clearstream, Luxembourg are located.

In all cases, definitive notes delivered in exchange for any global note or beneficial interest in any global note will be registered in the names, and issued in any approved denominations, requested by or on

behalf of the holder of the relevant global notes, provided that the denomination of any definitive note may not, at any time, be less than €100,000.

Neither we nor the trustee will be liable for any delay by the holder of the relevant global notes identifying the holders of beneficial interests in the global notes, and each such person may conclusively rely on, and will be protected in relying on, instructions from Euroclear or Clearstream, Luxembourg for all purposes (including with respect to the registration and delivery, and the respective principal amounts, of the definitive notes to be issued).

Certain Covenants

Unless otherwise indicated in the prospectus supplement, Baxter will not, and will not cause or permit any restricted subsidiary to, create, incur, assume or guarantee any indebtedness that is secured by a security interest in any principal facilities of Baxter or any restricted subsidiary or in shares of stock owned directly or indirectly by Baxter in any restricted subsidiary or in indebtedness for money borrowed by one of its restricted subsidiaries from Baxter or another of the restricted subsidiaries ("secured debt") unless the debt securities then outstanding and any other indebtedness of or guaranteed by Baxter or such restricted subsidiary then entitled to be so secured is secured equally and ratably with or prior to any and all other obligations and indebtedness thereby secured, with exceptions as listed in the indenture. These restrictions do not apply to indebtedness secured by:

- any security interest on any property which is a parcel of real property at a manufacturing plant, a warehouse or an office building and which is acquired, constructed, developed or improved by Baxter or a restricted subsidiary, which security interest secures or provides for the payment of all or any part of the acquisition cost of the property or the cost of the construction, development or improvement of the property and which security interest is created prior to, at the same time as, or within 120 days after (i) in the case of the acquisition of property, the completion of the acquisition of the property and (ii) in the case of construction, development or improvement of property, the later to occur of the completion of such construction, development or improvement or the commencement of operation, use or commercial production of the property
- any security interest on property existing at the time of the acquisition of such property by Baxter or a restricted subsidiary which security interest secures obligations assumed by Baxter or a restricted subsidiary;
- any security interest arising from conditional sales agreements or title retention agreements with respect to property acquired by Baxter or any restricted subsidiary;
- security interests existing on the property or on the outstanding shares or indebtedness of a corporation or firm at the time the corporation or firm becomes a restricted subsidiary or is merged or consolidated with Baxter or a restricted subsidiary or at the time the corporation or firm sells, leases or otherwise disposes of its property as an entirety or substantially as an entirety to Baxter or a restricted subsidiary;
- security interests securing indebtedness of a restricted subsidiary to Baxter or to another restricted subsidiary;
- mechanics' and other statutory liens arising in the ordinary course of business in respect of obligations which are not due or which are being contested in good faith;
- security interests arising by reason of deposit with, or the giving of any form of security to, any governmental agency which is required by law as a condition to the transaction of any business;
- security interests for taxes, assessments or governmental charges or levies not yet delinquent or security interests for taxes, assessments or governmental charges or levies already delinquent but which are being contested in good faith;

ank=0002507110891 6

- security interests arising in connection with legal proceedings, including judgment liens, so long as the proceedings are being contested in good faith and, in the case of judgment liens, the execution has been stayed;
- landlords' liens on fixtures located on premises leased by Baxter or a restricted subsidiary in the ordinary course of business;
- security interests arising in connection with contracts and subcontracts with or made at the request of the United States, any state of the United States, or any department, agency or instrumentality of the United States or any state of the United States;
- security interests that secure an obligation issued by the United States or any state, territory or possession of the United States or any of their political subdivisions or the District of Columbia, in connection with the financing of the cost of construction or acquisition of a principal facility or a part of a principal facility;
- security interests by reason of deposits to qualify Baxter or a restricted subsidiary to conduct business, to maintain self-insurance, or to obtain the benefits of, or comply with, laws;
- the extension of any security interest existing on the date of the indenture on a principal facility to additions, extensions or improvements to the principal facility and not as a result of borrowing money or the securing of indebtedness incurred after the date of the indenture; or
- any extension, renewal or refunding, or successive extensions, renewals or refundings, in whole or in part of any secured debt secured by any security interest listed above, provided that the principal amount of the secured debt secured thereby does not exceed the principal amount outstanding immediately prior to the extension, renewal or refunding and that the security interest securing the secured debt is limited to the property which, immediately prior to the extension, renewal or refunding, secured the secured debt and additions to the property.

For purposes of the indenture, "principal facilities" are any manufacturing plants, warehouses, office buildings and parcels of real property owned by Baxter or any restricted subsidiary, provided each such facility has a gross book value, without deduction for any depreciation reserves, in excess of 2% of Baxter's consolidated net tangible assets other than any facility that is determined by Baxter's board of directors to not be of material importance to the business conducted by Baxter and its subsidiaries taken as a whole.

For purposes of the indenture, "consolidated net tangible assets" are the total amount of assets that would be included on Baxter's consolidated balance sheet under U.S. generally accepted accounting principles after deducting all short-term liabilities and liability items, except for indebtedness payable more than one year from the date of incurrence and all goodwill, trade names, trademarks, patents, unamortized debt discount and unamortized expense incurred in the issuance of debt and other like intangibles, except for prepaid royalties.

Notwithstanding the limitations on secured debt described above, Baxter and any restricted subsidiary may create, incur, assume or guarantee secured debt, without equally and ratably securing the debt securities, provided that the sum of such secured debt and all other secured debt entered into after the date of the indenture, other than secured debt permitted as described in the bullet points above, does not exceed 15% of Baxter's consolidated net tangible assets.

For purposes of the indenture, a "restricted subsidiary" is any corporation in which Baxter owns voting securities entitling it to elect a majority of the directors and which is either designated as a restricted subsidiary in accordance with the indenture or:

- existed as such on the date of the indenture or is the successor to, or owns, any equity interest in, a corporation which so existed;

- has its principal business and assets in the United States;
- the business of which is other than the obtaining of financing in capital markets outside the United States or the financing of the acquisition or disposition of real or personal property or dealing in real property for residential or office building purposes; and
- does not have assets substantially all of which consist of securities of one or more corporations which are not restricted subsidiaries.

Restrictions on Mergers, Consolidations and Transfers of Assets

Unless otherwise indicated in the prospectus supplement, Baxter will not consolidate with or merge into or sell, transfer or lease all or substantially all of its properties and assets to another person unless:

- in the case of a merger, Baxter is the surviving corporation, or
- the person into which Baxter is merged or which acquires all or substantially all of the properties and assets of Baxter expressly assumes the payment of principal of, and premium, if any, and interest on the debt securities and Baxter's other obligations under the indenture.

Upon any of the consolidation, merger or transfer, the successor corporation will be substituted for Baxter under the indenture. The successor corporation may then exercise all of the powers and rights of Baxter under the indenture, and Baxter will be released from all of its obligations and covenants under the debt securities and the indenture. If Baxter leases all or substantially all of its assets, the lessee corporation will be the successor and may exercise all of the respective powers and rights under the indenture but Baxter will not be released from its obligations and covenants under the debt securities and the indenture.

Events of Default

The indenture defines an "event of default" with respect to any series of debt securities. Each of the following will be an event of default under the indenture for any series of debt securities:

- our failure to pay interest on any of the debt securities of that series when due, and continuance of the default for a period of 30 days;
- our failure to pay principal or premium, if any, on any of the debt securities of that series when due, whether at maturity or otherwise;
- default in the deposit of any sinking fund payment or payment under any analogous provision when due with respect to any of the debt securities of that series;
- our failure to perform, or our breach, of any covenant or warranty in the indenture in respect of that series, other than a covenant or warranty included in the indenture solely for the benefit of another series of debt securities, and continuance of that failure or breach, without that failure or breach having been cured or waived, for a period of 90 days after the trustee gives notice to us or, in the case of notice by the holders, the holders of at least 25% in aggregate principal amount of the outstanding debt securities of that series give notice to us and the trustee, specifying the default or breach;
- specified events involving our bankruptcy, insolvency or reorganization; or
- any other event of default we may provide for that series.

An event of default under one series of debt securities does not necessarily constitute an event of default under any other series of debt securities. The indenture provides that, within 90 days after the occurrence of any default with respect to a series of debt securities, the trustee will mail to all holders of debt securities of that series notice of the default, unless the default has been cured or waived. However, the

ank=20250711089117

indenture provides that the trustee may withhold notice of a default with respect to a series of debt securities, except a default in payment of principal, premium, if any, or interest, if any, if the trustee considers it in the best interest of the holders to do so. In the case of a default in the performance, or breach, of any covenant or warranty in the indenture or in respect of a series of debt securities, no notice will be given until at least 30 days after the occurrence of the default or breach. As used in this paragraph, the term "default" means any event which is, or after notice or lapse of time or both would become, an event of default with respect to a series of debt securities.

The indenture provides that if an event of default, other than an event of default relating to events of bankruptcy, insolvency or reorganization, with respect to a series of debt securities occurs and is continuing, either the trustee or the holders of not less than 25% in aggregate principal amount of the outstanding debt securities of that series may declare the principal of, and accrued and unpaid interest, if any, on, the debt securities in that series to be due and payable immediately. The indenture also provides that if an event of default relating to events of bankruptcy, insolvency or reorganization with respect to a series of debt securities occurs then the principal of, and accrued and unpaid interest, if any, on, all the debt securities of that series will automatically become and be immediately due and payable without any declaration or other act on the part of the trustee or any holder of the debt securities. However, upon specified conditions, the holders of not less than a majority in aggregate principal amount of the outstanding debt securities of a series may rescind and annul an acceleration of the debt securities of that series and its consequences.

Subject to the provisions of the Trust Indenture Act requiring the trustee, during the continuance of an event of default under the indenture, to act with the requisite standard of care, the trustee is under no obligation to exercise any of its rights or powers under the indenture at the request or direction of any of the holders of debt securities unless those holders have offered to the trustee security or indemnity satisfactory to the trustee against the costs, expenses and liabilities that may be incurred by taking such action.

Subject to this requirement, holders of a majority in aggregate principal amount of the outstanding debt securities of a series have the right to direct the time, method and place of conducting any proceeding for any remedy available to the trustee under the indenture with respect to the debt securities of that series.

The indenture requires the annual filing with the trustee of a certificate signed by the principal executive officer, the principal financial officer or the principal accounting officer of Baxter that states whether Baxter is in default under the terms, provisions or conditions of the indenture.

Notwithstanding any other provision of the indenture, the holder of a debt security will have the right, which is absolute and unconditional, to receive payment of the principal of, and premium, if any, and interest, if any, on that debt security on the respective due dates for those payments and to institute suit for the enforcement of those payments, and this right will not be impaired without the consent of the holder.

Modification and Waivers

The indenture permits Baxter and the trustee, with the consent of the holders of a majority in aggregate principal amount of the outstanding debt securities of a series affected by a modification or amendment, to modify or amend any of the provisions of the indenture or of the debt securities or the rights of the holders of the debt securities under the indenture. However, no modification or amendment may, without the consent of the holder of each outstanding debt security affected by the modification or amendment, among other things:

- change the stated maturity of the principal of, or premium, if any, or any installment of interest, if any, on the debt securities;

- reduce the principal of or premium, if any, on the debt securities or reduce the rate of interest on or the redemption or repurchase price of the debt securities;
- change any place where or the currency in which the principal of, any premium or interest on, any debt security is payable;
- impair a holder's right to institute suit to enforce any payment on or after the stated maturity of the debt securities or, in the case of redemption, on or after the redemption date;
- reduce the percentage in principal amount of outstanding debt securities whose holders must consent to any modification or amendment or any waiver of compliance with specific provisions of the indenture or specified defaults under the indenture and their consequences;
- make certain modifications to the provisions for modification of the indenture and for certain waivers, except to increase the principal amount of outstanding debt securities necessary to consent to any such change; or
- make any change that adversely affects the right, if any, to convert or exchange any debt security for common stock or other securities in accordance with its terms.

The indenture also contains provisions permitting Baxter and the trustee, without the consent of the holders of the debt securities, to modify or amend the indenture, among other things:

- to convey, transfer, assign, mortgage or pledge to the trustee as security for the debt securities any property or assets which Baxter may desire;
- to evidence succession of another corporation to Baxter, or its successors, and the assumption by the successor corporation of the covenants, agreements and obligations of Baxter;
- to add covenants and agreements of Baxter to those included in the indenture for the protection of holders of debt securities and to make the occurrence of a default of any such covenants or agreements a default or an event of default permitting enforcement of the remedies set forth in the indenture;
- to add, delete or modify the events of default with respect to any series of debt securities the form and terms of which are being established pursuant to such supplemental indenture;
- to prohibit the authentication and delivery of additional series of debt securities under the indenture;
- to cure any ambiguity or correct or supplement any provision contained in the indenture or any supplemental indenture which may be defective or inconsistent with any other provisions contained therein;
- to make such other provisions in regard to matters or questions arising under the indenture as are not inconsistent with the provisions of the indenture or any supplemental indenture and do not adversely affect the interests of the holders of the debt securities in any material respect;
- to establish the form and terms of debt securities of any series issued under the indenture; or
- to evidence and provide for acceptance of appointment under the indenture by a successor trustee with respect to the debt securities of one or more series or to add to or change any of the provisions of the indenture as shall be necessary to provide for or facilitate the administration of the trusts under the indenture by more than one trustee.

The holders of a majority in aggregate principal amount of the outstanding debt securities may waive our compliance with some of the restrictive provisions of the indenture. The holders of a majority in aggregate

ank=20250710-20250711089118

principal amount of the outstanding debt securities may, on behalf of all holders of debt securities, waive any past default under the indenture with respect to the debt securities and its consequences, except a default in the payment of the principal of, or premium, if any, or interest, if any, on the debt securities or a default in respect of a covenant or provision which cannot be modified or amended without the consent of the holder of each outstanding debt security.

In order to determine whether the holders of the requisite principal amount of the outstanding debt securities have taken an action under an indenture as of a specified date:

- the principal amount of an "original issue discount security" that will be deemed to be outstanding will be the amount of the principal that would be due and payable as of that date upon acceleration of the maturity to that date,
- if, as of that date, the principal amount payable at the stated maturity of a debt security is not determinable, for example, because it is based on an index, the principal amount of the debt security deemed to be outstanding as of that date will be an amount determined in the manner prescribed for the debt security,
- the principal amount of a debt security denominated in one or more foreign currencies or currency units that will be deemed to be outstanding will be the U.S. dollar equivalent, determined as of that date in the manner prescribed for the debt security, of the principal amount of the debt security or, in the case of a debt security described in the two preceding bullet points, of the amount described above, and
- debt securities owned by us or any other obligor upon the debt securities or any of our or their affiliates will be disregarded and deemed not to be outstanding.

Satisfaction and Discharge

Upon the direction of Baxter, the indenture will cease to be of further effect with respect to any debt security specified, subject to the survival of specified provisions of the indenture, when:

- either: (i) all debt securities issued under the indenture, subject to exceptions, have been delivered to the trustee for cancellation; or (ii) all debt securities issued under the indenture have become due and payable or will become due and payable at their stated maturity within one year or are to be called for redemption within one year and Baxter has deposited with the trustee, in trust, funds in United States dollars, or direct or indirect obligations of the United States ("government obligations") in an amount sufficient to pay the entire indebtedness on the debt securities including the principal, premium, if any, interest, if any, to the date of the deposit, if the debt securities have become due and payable, or to the maturity or redemption date of the debt securities, as the case may be;
- Baxter has paid all other sums payable under the indenture with respect to the outstanding debt securities issued under the indenture; and
- the trustee has received each officer's certificate and opinion of counsel called for by the indenture.

Defeasance and Covenant Defeasance

Baxter may elect with respect to the debt securities issued under the indenture either

- to defease and be discharged from all of its obligations with respect to the outstanding debt securities ("defeasance"), except for, among other things,
- the obligation to register the transfer or exchange of the debt securities,

- the obligation to replace temporary or mutilated, destroyed, lost or stolen debt securities,
- the obligation to maintain an office or agency in respect of the debt securities, and
- the obligation to hold monies for payment in trust; or
- to be released from its obligations with respect to the debt securities under specified covenants in the indenture including those described under the heading "Certain Covenants — Restrictions on the creation of secured debt", and any omission to comply with those obligations will not constitute a default or an event of default with respect to the debt securities ("covenant defeasance"), in either case upon the irrevocable deposit by Baxter with the trustee, or other qualifying trustee, in trust for that purpose, of an amount in United States dollars and/or government obligations which, through the payment of principal and interest in accordance with their terms, will provide money in an amount sufficient to pay the principal, premium, if any, and interest, if any, on the due dates for those payments.

The defeasance or covenant defeasance described above will only be effective if, among other things:

- it will not result in a breach or violation of, or constitute a default under, the indenture or any other material agreement or instrument to which Baxter is a party or is bound;
- in the case of defeasance, Baxter will have delivered to the trustee an opinion of independent counsel confirming that
- Baxter has received from or there has been published by the Internal Revenue Service a ruling, or
- since the date of the indenture there has been a change in applicable federal income tax law, in either case to the effect that, and based on this ruling or change in law, the opinion of counsel will confirm that the holders of the debt securities then outstanding will not recognize income, gain or loss for federal income tax purposes as a result of the defeasance and will be subject to federal income tax on the same amounts, in the same manner and at the same times as would have been the case if the defeasance had not occurred;
- in the case of covenant defeasance, Baxter will have delivered to the trustee an opinion of independent counsel to the effect that the holders of the debt securities then outstanding will not recognize income, gain or loss for federal income tax purposes as a result of the covenant defeasance and will be subject to federal income tax on the same amounts, in the same manner and at the same times as would have been the case if the covenant defeasance had not occurred;
- if the cash and/or government obligations deposited are sufficient to pay the principal of, and premium, if any, and interest, if any, with respect to the debt securities provided the debt securities are redeemed on a particular redemption date, Baxter will have given the trustee irrevocable instructions to redeem the debt securities on that date; and
- no event of default or event which with notice or lapse of time or both would become an event of default with respect to the debt securities will have occurred and be continuing on the date of the deposit into trust, and, solely in the case of defeasance, no event of default or event which with notice or lapse of time or both would become an event of default arising from specified events of bankruptcy, insolvency or reorganization with respect to Baxter will have occurred and be continuing during the period through and including the 91st day after the date of the deposit into trust.

In the event covenant defeasance is effected with respect to the debt securities and those debt securities are declared due and payable because of the occurrence of any event of default other than an event of

default with respect to the covenants as to which covenant defeasance has been effected, which would no longer be applicable to the debt securities after covenant defeasance, the amount of monies and/or government obligations deposited with the trustee to effect covenant defeasance may not be sufficient to pay amounts due on the debt securities at the time of any acceleration resulting from that event of default. However, Baxter would remain liable to make payment of those amounts due at the time of acceleration.

Listing

The notes are traded on The New York Stock Exchange under the bond trading symbols of "BAX 29".

Governing Law

The indenture is, and the notes are, governed by and construed in accordance with the laws of the State of New York, as applied to contracts made and performed within the State of New York, without regard to principles of conflicts of law.

The Trustee, Registrar and Paying Agent

The Bank of New York Mellon Trust Company, N.A. is the trustee and registrar and The Bank of New York Mellon, London Branch is the paying agent with respect to the notes. Neither the trustee nor the paying agent shall be responsible for monitoring our rating status, making any request upon any Rating Agency, or determining whether any Rating Event or Change of Control Triggering Event has occurred.

Notices

So long as any notes are represented by a global note and such global note is held on behalf of a clearing system, (i) notices to the holders of notes of the series may be given by delivery of the relevant notice to that clearing system for communication by it to entitled accountholders, and (ii) notices of holders of notes may be given to us through the clearing systems in accordance with the rules and regulations of the clearing systems in effect from time to time.

0710-20250711108919
ank=2025

EXHIBIT 19

BAXTER INTERNATIONAL INC.

SECURITIES TRADING POLICY

EFFECTIVE AS OF NOVEMBER 11, 2024

Policy Overview

This Policy is intended to articulate the principles and policies of Baxter International Inc. (including its subsidiaries, referred to hereafter as the "Company") regarding compliance with federal, state and foreign securities laws and regulations relating to trading in Company and third-party securities and to provide a general understanding of these securities laws to prevent violations of such laws and regulations.

Statement of Principles and Policies

Summary

Federal and state securities laws impose important trading restrictions on certain individuals who learn of material, non-public information regarding a company. These restrictions apply to Company employees who learn of material, non-public information, as well as non-employees who learn of such information as a result of their relationship with the Company. This Policy may continue to apply to your transactions in Company securities or the securities of other public companies engaged in business transactions with the Company even after your employment or directorship with the Company has terminated. If you are in possession of material nonpublic information when your relationship with the Company concludes, you may not trade in Company securities or the securities of such other company until the information has been publicly disseminated or is no longer material.

The principal restrictions on an individual with material, non-public information are that he or she may not (i) buy or sell securities on the basis of such information, or (ii) "tip" others about such information. Violations of these restrictions can carry both criminal and civil penalties.

This Policy reflects the Company's commitment to maintain compliance with the securities laws. Because the securities laws are comprehensive, far-reaching and constantly evolving, this Policy does not attempt to deal with all of the considerations which may be applicable to securities transactions. If you have a specific question, you should contact the General Counsel, Corporate Secretary or Assistant Corporate Secretary and abstain from the conduct in question until you have been informed that the conduct is permissible.

Material, Non-public Information

"Material information" generally means information which if disclosed could reasonably have an effect on the price of a company's securities or which is likely to be considered important by a reasonable investor in determining whether to buy or sell such securities (or otherwise alter his or her market behavior). However, there is no precise definition, and the question of whether information is material is subjective and often judged in hindsight. As a result, individuals covered

ank=20250710;20250711089220

under this Policy are encouraged to take a broad and cautious view when evaluating whether a particular piece of information is "material."

Examples of "material information" include, depending on the particular circumstances:

- acquisitions of other companies, dispositions of existing operations, a new joint venture or termination thereof, or an important financing transaction;
- internal financial projections or any change to previously reported projections or financial results, including earnings, earnings estimates or operating results;
- products or product development milestones (such as major clinical trial results or FDA approvals or other actions);
- a change in senior executive management or board composition;
- a change in control of the Company;
- a major cybersecurity incident;
- the extent to which external events, including but not limited to pandemics or climate events, have had or are reasonably likely to have a material impact on the Company's operating results;
- initiation or resolution of significant litigation (including disputes with customers, suppliers or contractors), government investigations or major regulatory developments;
- significant new contracts or changes in existing contractual relationships or loss of business;
- significant raw material shortages; or
- other information which could result in substantial market share and/or revenue gains or losses.

Please note that this list is merely illustrative and is not exhaustive; other types of information may be material at any particular time depending upon the circumstances.

"Non-public information" is information that has not yet been the subject of an official announcement (for example, in a press release or a filing with the Securities and Exchange Commission (the "SEC")) or otherwise sufficiently publicized and widely reported in the media. Further, information does not cease to be "non-public" until investors have had a reasonable period of time to absorb and react to the information (often considered to be one or two Trading Days after public release of the information, depending on the circumstances). For the purposes of this Policy, information does not cease to be "non-public" as a result of being the subject of rumors or other unofficial statements in the marketplace. Information related to the Company can be "non-public" even where such information was obtained by a Company employee from a source outside of the Company.

"Trading Day" means any day on which the New York Stock Exchange is open for trading. For example, if the Company issues a press release containing material information at 6:00 p.m. on a Tuesday, and the New York Stock Exchange is open for trading on Wednesday and Thursday, persons subject to this Policy shall not be permitted to trade in Company securities until Friday. If the Company issues a press release containing material information at 6:00 a.m. on a Friday, and the New York Stock Exchange is open for trading on Friday and Monday, persons subject to this Policy shall not be permitted to trade in Company securities until Tuesday.

Covered Persons

The Policy applies to all Company employees (regardless of role or title), directors, consultants, contract workers and temporary staff worldwide and may also apply to former employees and directors, as set forth above. All Company employees are responsible for ensuring that their

family members (including spouses, minor children, and any other family members living in the same household) also comply with this Policy.

Please note that many countries in addition to the U.S. have laws regarding insider trading. This policy applies to all individuals described above, even if the activities prohibited in this Policy are not illegal in the country where any particular person is located.

Prohibition on Certain Activities

Insider Trading

Securities laws and this Policy require that an individual who is in possession of material non-public information related to the Company (referred to hereafter as an "Insider") is prohibited from (i) trading in any securities (including those issued by another company, if such information could affect the price of such securities) on the basis of such material non-public information or (ii) "tipping" such information to another person. The Company is also prohibited from trading at any time in any Company securities on the basis of material non-public information, consistent with applicable law.

The fact that an Insider may have relied on other factors in purchasing or selling securities while in the possession of material non-public information is *not* an exception to this prohibition. It is no excuse that the Insider (i) would have traded anyway, (ii) considered himself/herself under a duty (for example, as a trustee) to trade or to disclose information, or (iii) did not intend to defraud anyone. If an Insider is in possession of such information, he or she must refrain from any transaction in the subject securities and from tipping such information to any other person.

Though its definition is complex under securities laws and regulations, for purposes of this Policy a "security" should be understood to mean the common stock, or any preferred stock that is listed on any national securities exchange or any put, call, option contract, hedge or other derivative securities relating to any such stock, of a publicly traded company.

Furthermore, the Policy should be understood to extend to a number of market activities. "Trading" for the purposes of this Policy includes not just buying or selling securities in the open market, but also executing a "cashless" option exercise, writing or purchasing a put or call option, entering into any "short sale," or the execution of any of such actions pursuant to prearranged instructions (e.g., limit orders) regardless of when such instruction was given. With respect to Company stock, "trading" also includes transferring funds into or out of the Baxter Common Stock Fund or changing elections (or electing to participate for the first time) under the employee stock purchase plan ("ESPP"). In addition, gifts of Company securities are subject to the restrictions of this policy. You may not gift Company securities to others while in possession of material non-public information, and Designated Insiders and Pre-clearance Persons must comply with the applicable blackout and pre-clearance requirements described below.

As discussed below, certain trading activities involving Company securities are entirely prohibited under this Policy, regardless of whether or not an individual is in possession of material, non-public information. Please see below for a list of market activities which are not considered "trading" for the purposes of this Policy.

Tipping

Insiders may not give, or "tip," such information to an outsider for the improper purpose of exploiting the information for personal gain. "Tipping" is the unauthorized communication of

ank=20250710-20250711108921

material, non-public information. A "tipper" is a person who divulges such information; a "tippee" is one who receives such information.

Examples of Prohibited Insider Trading

The following are hypothetical examples of insider trading violations. They are not intended to reflect the actual activities or business of the Company or any other entity.

- *Trading By an Insider:* An employee in the accounting department of R Corp. learns that the quarterly earnings to be reported by R Corp. will be substantially lower than forecasted. Prior to the public announcement of this information, the employee sells a small portion of his R Corp stock. This is a violation of U.S. securities laws and the Policy. The employee is subject to both criminal prosecution, which could result in substantial fines and jail time, and civil suits.

- *Trading By a Tippee:* An officer of S Corp. tells her neighbor that S Corp. is about to publicly announce that it received an unsolicited offer to be purchased by one of its major customers. This tip causes the neighbor to purchase S Corp.'s stock in advance of the announcement. This is a violation of U.S. securities laws and the Policy. The officer may be jointly liable with her neighbor for all of the neighbor's profits and each is liable for all penalties. In addition, the officer and her neighbor are subject to criminal prosecution, which could result in substantial fines and jail time, and civil suits.

Other Aggressive Trading Activities

This Policy also prohibits covered persons from directly or indirectly participating in certain trading activities with respect to Company securities that by their nature are aggressive or speculative or may give rise to an appearance of impropriety. Such prohibited activities include:

- Same-day or short-term trading (i.e., "day trading");
- Selling stock that the seller does not own or a sale that is completed by delivery of borrowed stock (i.e., a "short sale");
- Purchasing or holding Company securities on margin;
- Pledging Company securities as collateral for a loan; or
- Entering into any derivative (including purchasing, selling or writing put or call options, forward contracts, "equity" or "performance" swap or any similar agreements denominated in Company securities) or similar transactions.

Pre-clearance and Blackout Policy

The following are the most likely people to be in possession of material, non-public information or to be charged with insider trading:

- "Section 16 Officers" are Company officers who are required to file reports with the SEC indicating all of their transactions in Company securities;

- "Directors" are the members of the board of directors of Baxter International Inc.; and

- "Designated Insiders" includes all other Company employees who are not Section 16 Officers, but are routinely exposed to information that would necessarily be considered material (such as financial information or important press releases) before it is released to the public. One or more lists of Designated Insiders is maintained by the Corporate Secretary's office and each such persons is aware that he or she is on any such list or will

be made aware that he or she has been added to any such list as soon as reasonably practicable after the related determination has been made; provided, that only certain Designated Insiders may be Pre-clearance Persons(as defined below). Any person who is a Designated Insider but not a Pre-clearance Person (a "Special Designated Insider") does not require pre-clearance from the Company's General Counsel, Corporate Secretary or Assistant Corporate Secretary but he/she will not be able to trade during certain special blackout periods, which can arise from time to time and without prior notice; provided, that the Corporate Secretary's Office shall provide notice of the occurrence of any such special blackout period to all Special Designated Insiders as soon as reasonably practicable after the start of such period. These periods may coincide with a quarterly blackout period (as described below).

The Company has imposed a mandatory trading pre-clearance procedure on certain of these persons (referred to hereafter as "Pre-clearance Persons"), each of whom is aware (or will be made aware by the Corporate Secretary's Group as soon as reasonably practicable after he or she has been designated a Pre- clearance Person) that he or she is subject to such restrictions. All Pre-clearance Persons must receive pre- clearance from the Corporate Secretary, Assistant Corporate Secretary or General Counsel prior to effecting any transaction in Company securities. We ask that you endeavor to request pre-clearance at least 24 hours before the requested trade date. Such pre-clearance is valid for two business days but terminates immediately if the Pre-clearance Person acquires any material, non- public information. Additionally, no limit order for any Pre-clearance Person can extend beyond the pre-clearance period. If a Pre-clearance Person seeks pre-clearance and permission to engage in the transaction is denied, then the Pre-clearance Person should refrain from initiating any transaction in Company securities and should not inform any other person of the restriction.

Additionally, certain specific periods of the year are designated as "no trading periods" with respect to Company securities for all Designated Insiders. These "blackouts" on trading (as defined above) generally begin two weeks prior to a quarter-end and end at market open of the second full business day after the Company has filed its quarterly report on Form 10-Q or annual report on Form 10-K for the applicable period. These periods, however, are subject to adjustment by the Corporate Secretary's Group and may be started early or extended without prior notice. Further, from time to time the General Counsel, Corporate Secretary or Assistant Corporate Secretary may institute other specific blackout periods with respect to Company securities as warranted by business developments. All Designated Insiders (including any Special Designated Insider) may be made subject to any such special blackout period. In such instances, the Company will notify the applicable individuals that they are subject to a blackout. After receiving such notice, that person must not trade in Company securities for the period of time specified in the notice. A notified person must not discuss the fact that they are in a blackout period out with any person (other than the General Counsel, Corporate Secretary or Assistant Corporate Secretary to the extent necessary for the resolution of any questions or issues). Special blackout periods may also apply in respect of the securities of other entities.

Officers and Directors subject to Section 16 reporting obligations should take care not to violate the prohibition on short-swing trading (Section 16(b)) and the restrictions on sales by control persons (Rule 144), and should file all appropriate Section 16(a) reports (Forms 3, 4 and 5) and any notices of sale required by Rule 144. To assist with these requirements and to the extent not provided by the plan administrator, all Section 16 Officers and Directors must submit to the Company's General Counsel or Corporate Secretary a copy of any trade order or confirmation relating to the purchase, sale or gift of Company Securities on the date of any such transaction.

ank=20250711108922

Please see below for a description of the exception to the pre-clearance and blackout policies under a Rule 10b5-1(c) trading plan.

Prohibition on Section 16 Officers and Directors Holding Company Securities in Street Name

Section 16 Officers and Directors (as defined above) are prohibited from carrying or placing Company securities in "street name" (that is, in the name of a broker) without written notification to the Corporate Secretary and must report changes in street name holdings.

Certain Exceptions to Trading Prohibitions

Activities Not Considered "Trading" for the Purposes of this Policy

The Policy generally does not prohibit:

- exercising Company stock options by paying the full exercise price in cash (but note that none of the shares of Company common stock received upon such exercise may be sold while the holder is aware of material non- public information or in a blackout period, whether to fund the exercise, pay taxes or otherwise);
- making ongoing investments in the Company's ESPP pursuant to existing investment elections;
- purchasing Company securities on a covered person's behalf by the Company under the ESPP; or
- buying or selling investments in publicly traded mutual funds.

Rule 10b5-1(c) Trading Plan Exception to Pre-clearance and Black-out Policy

The "pre-clearance" and "blackout" policies do not apply to transactions pursuant to a previously established and approved "Rule 10b5-1(c) trading plan." A Rule 10b5-1(c) trading plan must comply with all of the requirements of Rule 10b5-1(c) under the Exchange Act and cannot be established, modified or terminated without prior approval by the General Counsel, Corporate Secretary or Assistant Corporate Secretary.

To be effective a Rule 10b5-1(c) trading plan must:

- include representations certifying that (a) you are not aware of material non-public information at the time of adoption and (b) you are entering into the plan in good faith, and not as part of a plan or scheme to shield trades that would otherwise be considered violations of the insider trading law;
- specify the beginning and end dates for the Rule 10b5-1(c) trading plan;
- specify either (a) the amount and price of the Company securities to be purchased or sold and the dates for such purchases or sales or (b) a formula that determines the amount and price of the Company securities to be purchased or sold and the dates for such purchases or sales;
- be established only during an open trading window and when you are not otherwise subject to a blackout period; and
- comply with the following "cooling-off" periods: for the Company's Directors and Section 16 Officers, provide that no trade under a Rule 10b5-1(c) trading plan may occur until the later of (i) the 91st day after the adoption of the plan or (ii) the third business day after the

filing date of the Company's Form 10-Q (or Form 10-K for any plan executed during the fourth fiscal quarter) for the fiscal quarter in which the plan was adopted, up to a maximum of 120 days after adoption of the plan. Or for other insiders, provide that no trade may occur until the 31st day after the adoption of the Rule 10b5-1(c) trading plan.

Once the plan is adopted, the covered person must not exercise any influence over the amount of securities to be traded, the price at which they are to be traded or the date of the trade. Note that to the extent not provided by the plan administrator, trades made pursuant to Rule 10b5-1(c) plans by Section 16 Officers and Directors must be reported to the Company's General Counsel or Corporate Secretary.

Penalties

Professional Consequences

Company policy prohibits all misuse of confidential information obtained by employees in connection with their employment, including any securities trading based on such information. This is in addition to, and should be distinguished from, certain trading activities that also violate the law. Please review the Company's Code of Conduct for a description of the Company's policies regarding business conduct and practices, including, among other things, the use of confidential information, conflicts of interest and a summary of this Policy and consequences to employees in the event they violate Company policies (including this Policy). Company policy prohibits any illegal activity and, as such, insider trading may result in termination for cause.

Legal Consequences

The seriousness of insider trading is reflected in the penalties that it carries. Potential legal penalties include liability for the Company itself and individual Directors, officers or employees. For an individual, insider trading may result in criminal penalties, including fines, jail time or both. The SEC also has the authority to seek civil monetary penalties.

The SEC may also impose liability on the Company as a controlling person of an insider trading violator if the Company recklessly disregards the likelihood that a controlled person was going to engage in a violation and fails to take steps to prevent the action before it occurs. The SEC is authorized to pay bounties to persons providing information leading to the imposition of a penalty.

In addition, private parties may also bring civil actions seeking damages against any person purchasing or selling a security while in the possession of material, non-public information. The total amount of damages recoverable may not exceed the profit gained or loss avoided in such a transaction.

Questions

If you have a question as to whether certain information is material or has been adequately disclosed to the public, you should contact the General Counsel, Corporate Secretary or Assistant Corporate Secretary and abstain from trading or disclosing the information in question until you have been informed that the information is not material or has been sufficiently disclosed to the public.

10-20250711089223
ank=202507

EXHIBIT 21

BAXTER INTERNATIONAL INC.

The following is a list of subsidiaries of Baxter International Inc. as of December 31, 2024, omitting some subsidiaries which, when considered in the aggregate, would not constitute a significant subsidiary. Where ownership is less than 100% by Baxter International Inc. or a Baxter International Inc. subsidiary, such has been noted by designating the percentage of ownership. It also includes select subsidiaries, while not a significant subsidiary as of December 31, 2024, that were established in anticipation of the sale of the Kidney Care business.

Domestic Subsidiary	Incorporation
Baxter Corporation Englewood	Colorado
Baxter Healthcare Corporation	Delaware
Baxter Healthcare of Puerto Rico LLC	Delaware
Baxter Sales and Distribution LLC	Delaware
Cheetah Medical, Inc.	Delaware
Gambro Renal Products, Inc.	Colorado
Gambro UF Solutions, Inc.	Delaware
Hill-Rom Holdings, Inc	Indiana
Laboratorios Baxter S.A.	Delaware
Synovis Life Technologies, Inc.	Minnesota
Synovis Micro Companies Alliance, Inc.	Minnesota
Vantive Export LLC	Delaware
Vantive Health LLC	Delaware
Vantive US Healthcare LLC	Delaware

Foreign Subsidiary	Incorporation	
Baxter Healthcare Pty Ltd	Australia	
Baxter Renal Care Services Australia Pty Ltd	Australia	
Baxter Belgium SPRL	Belgium	
Baxter Distribution Center Europe SA	Belgium	
Baxter R and D Europe SPRL	Belgium	
Baxter SA	Belgium	
Baxter Services Europe SA	Belgium	
Baxter World Trade SPRL	Belgium	
Baxter Hospitalar Ltda.	Brazil	
Baxter Corporation (Canada)	Canada	
Vantive ULC	Canada	
Baxter (China) Investment Co., Ltd	China	
Baxter Healthcare (Guangzhou) Company Ltd	China	88 %
Baxter Healthcare (Shanghai) Company Ltd.	China	
Baxter MedTech (Shanghai) Co., Ltd.	China	
Baxter Healthcare (Suzhou) Company Ltd	China	
Baxter Healthcare (Tianjin) Co., Ltd.	China	
Baxter Healthcare Trading (Shanghai) Co., Ltd.	China	
RTS Colombia SAS	Colombia	
Baxter Productos Medicos, Ltda.	Costa Rica	
Baxter S.A.S.	France	

Gambro Industries SAS	France	
Vantive SAS	France	
Baxter Deutschland GmbH	Germany	
Gambro Dialysatoren GmbH	Germany	
Vantive Health Germany GmbH	Germany	
Baxter (Hellas) EPE	Greece	
Baxter de Guatemala, Sociedad Anonima	Guatemala	
Baxter Healthcare Limited (Hong Kong, China)	Hong Kong	
Baxter (India) Private Limited	India	
Baxter Pharmaceuticals India Pvt Ltd.	India	
Baxter Innovations & Business Solutions Private Limited (India)	India	
Vantive Healthcare Technologies Private Limited	India	
Baxter Shared Services & Competencies Limited	Ireland	
Baxter Healthcare S.A.- Ireland Finance Branch	Ireland	
Vantive Manufacturing Limited	Ireland	
Cheetah Medical (Israel), Ltd.	Israel	
Baxter S.p.A.	Italy	
Bieffe Medital S.p.A.	Italy	
Gambro Dasco S.p.A.	Italy	
Baxter World Trade Italy SRL S.r.l.	Italy	
Baxter Limited	Japan	
Baxter Healthcare Holding Limited	Malta	
Baxter S.A. de C.V.	Mexico	
Gambro Renal Products, S.A. de C.V.	Mexico	
Baxter Healthcare Limited	New Zealand	
Baxter Polska Sp. z o.o.	Poland	
Baxter AO	Russian Federation	
Baxter Company Ltd	Saudi Arabia	51 %
Baxter Healthcare SA (Singapore Woodlands Branch)	Singapore	
Baxter Pharmaceuticals (Asia) Pte Ltd.	Singapore	
Baxter Pacific Investments Pte. Ltd.	Singapore	
Vantive Pte. Ltd.	Singapore	
Baxter Incorporated	South Korea	
Baxter, S.L.	Spain	
Baxter Medical AB	Sweden	
Gambro AB	Sweden	
Gambro Lundia AB	Sweden	
Baxter Holding AB	Sweden	
Baxter AG	Switzerland	
Baxter Healthcare SA	Switzerland	
Vantive Health GmbH	Switzerland	
Baxter Healthcare Limited (Taiwan)	Taiwan	
Baxter Healthcare (Thailand) Company Limited	Thailand	
Baxter Manufacturing, (Thailand) Co., Ltd.	Thailand	

Baxter Holding B.V.	The Netherlands
Vantive Holding B.V.	The Netherlands
Baxter Netherlands Holding B.V.	The Netherlands
Baxter Turkey Renal Hizmetler A.S	Turkey
ApaTech Limited	United Kingdom
Baxter Healthcare Limited	United Kingdom
Cheetah Medical (UK) Limited	United Kingdom
Baxter International Limited	United Kingdom
Baxter Healthcare Ltd.	United Kingdom
Vantive Limited	United Kingdom

ank=20250710;20250711083924

EXHIBIT 23

CONSENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

We hereby consent to the incorporation by reference in the Registration Statements on Form S-3 (No. 333-264528) and Form S-8 (Nos. 333-143063, 333-174400, 333-174401, 333-206700, 333-206701, 333-255767, 333-255768, 333-261610 and 333-279180) of Baxter International Inc. of our report dated February 21, 2025 relating to the financial statements and the effectiveness of internal control over financial reporting, which appears in this Form 10-K.

/s/ PricewaterhouseCoopers LLP
Chicago, Illinois
February 21, 2025

ank=20250710-20250711108923

EXHIBIT 31.1

Certification of Chief Executive Officer
Pursuant to Rules 13a-14(a) and 15d-14(a) of the Securities Exchange Act of 1934, as Amended

I, Brent Shafer, certify that:

1. I have reviewed this Annual Report on Form 10-K of Baxter International Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

   (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

/s/ Brent Shafer
Brent Shafer
Chair and Interim Chief Executive Officer

Date: February 21, 2025

EXHIBIT 31.2

Certification of Chief Financial Officer
Pursuant to Rules 13a-14(a) and 15d-14(a) of the Securities Exchange Act of 1934, as Amended

I, Joel T. Grade, certify that:

1. I have reviewed this Annual Report on Form 10-K of Baxter International Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

   (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

/s/ Joel T. Grade

Joel T. Grade
Executive Vice President, Chief Financial Officer and Interim Chief Accounting Officer

Date: February 21, 2025

ank=20250710-20250711108926

EXHIBIT 32.1

Certification of Chief Executive Officer Pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002

Brent Shafer, as Chair and Interim Chief Executive Officer of Baxter International Inc. (the "Company"), certifies, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

(1) the Company's Annual Report on Form 10-K for the year ended December 31, 2024 as filed with the Securities and Exchange Commission on the date hereof (the "Report") fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(2) the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

/s/ Brent Shafer
Brent Shafer
Chair and Interim Chief Executive Officer

February 21, 2025

EXHIBIT 32.2

**Certification of Chief Financial Officer Pursuant to 18 U.S.C. Section 1350,
as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002**

Joel T. Grade, as Executive Vice President, Chief Financial Officer and Interim Chief Accounting Officer of Baxter International Inc. (the "Company"), certifies, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

(1) the Company's Annual Report on Form 10-K for the year ended December 31, 2024 as filed with the Securities and Exchange Commission on the date hereof (the "Report") fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(2) the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

/s/ Joel T. Grade
Joel T. Grade
Executive Vice President, Chief Financial Officer and Interim Chief Accounting Officer

February 21, 2025