

BAXTER INTERNATIONAL INC  
Form 10-Q  
May 09, 2018

UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

WASHINGTON, D.C. 20549

FORM 10-Q

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

For the quarterly period ended March 31, 2018

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 INTERNATIONAL INC.

(Exact name of registrant as specified in its charter)

Delaware	36-0781620
(State or other jurisdiction of	(I.R.S. Employer
incorporation or organization)	Identification No.)
One Baxter Parkway, Deerfield, Illinois	60015
(Address of principal executive offices)	(Zip Code)
224-948-2000	
(Registrant's telephone number, including area code)	

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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 the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, 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

(Do not check if a smaller reporting company)

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 is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes No

The number of shares of the registrant’s Common Stock, par value \$1.00 per share, outstanding as of April 30, 2018 was 535,485,895 shares.

BAXTER INTERNATIONAL INC.

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For the quarterly period ended March 31, 2018

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## PART I. FINANCIAL INFORMATION

## Item 1. Financial Statements

## Baxter International Inc.

## Condensed Consolidated Statements of Income (unaudited)

(in millions, except per share data)

	Three months ended March 31,	
	2018	2017
Net sales	\$2,677	\$2,475
Cost of sales	1,563	1,431
Gross margin	1,114	1,044
Marketing and administrative expenses	622	564
Research and development expenses	140	127
Claris settlement	(80 )	—
Operating income	432	353
Net interest expense	12	14
Other (income) expense, net	(18 )	11
Income from continuing operations before income taxes	438	328
Income tax expense	49	55
Income from continuing operations	389	273
Loss from discontinued operations, net of tax	—	(1 )
Net income	\$389	\$272
Income from continuing operations per common share		
Basic	\$0.72	\$0.50
Diluted	\$0.71	\$0.50
Loss from discontinued operations per common share		
Basic	\$—	\$—
Diluted	\$	