

# Abbott Reports Fourth-Quarter And Full-Year 2022 Results; Issues 2023 Financial Outlook

- Fourth-quarter sales of \$10.1 billion; full-year 2022 sales of \$43.7 billion
- Full-year 2022 sales growth of 1.3 percent; organic sales growth of 6.4 percent
- Full-year 2022 GAAP diluted EPS of \$3.91; adjusted diluted EPS of \$5.34
- Continues to strengthen portfolio with steady cadence of new product approvals

ABBOTT PARK, Ill., Jan. 25, 2023 /PRNewswire/ -- Abbott (NYSE: ABT) today announced financial results for the fourth quarter ended Dec. 31, 2022.

- Fourth-quarter sales of \$10.1 billion, which were negatively impacted by an expected year-over-year decline in COVID-19 testing-related sales, decreased 12.0 percent on a reported basis and 6.1 percent on an organic basis, which excludes the impact of foreign exchange.
- Excluding COVID-19 testing-related sales<sup>1</sup>, fourth-quarter sales decreased 1.4 percent on a reported basis and increased 5.4 percent on an organic basis.
- Excluding COVID-19 testing-related sales<sup>2</sup> and U.S. infant formula sales that were impacted by manufacturing disruptions<sup>3</sup>, full-year 2022 sales increased 1.9 percent on a reported basis and 7.4 percent on an organic basis.
- GAAP diluted EPS was \$0.59 in the fourth quarter. Excluding specified items, adjusted diluted EPS was \$1.03.
- Abbott issues full-year 2023 guidance for diluted EPS from continuing operations on a GAAP basis of \$3.05 to \$3.25 and full-year adjusted EPS from continuing operations of \$4.30 to \$4.50.
- Abbott projects full-year 2023 organic sales growth, excluding COVID-19 testing-related sales, of high-single digit<sup>4</sup> and COVID-19 testing-related sales of around \$2.0 billion.
- In October, Abbott's market-leading FreeStyle Libre<sup>®</sup> continuous glucose monitoring system was named the "Best Medical Technology" of the last 50 years by the Galien Foundation.
- In December, Abbott announced U.S. Food and Drug Administration (FDA) approval of its Eterna<sup>™</sup> spinal cord stimulation system — the smallest implantable, rechargeable system currently available for the treatment of chronic pain.<sup>5</sup>
- In January, Abbott announced U.S. FDA approval of its minimally invasive Navitor<sup>™</sup> transcatheter aortic valve implantation (TAVI) system for people with severe aortic stenosis who are at high risk for surgery.

"We significantly exceeded the EPS guidance we provided at the beginning of last year despite challenging global business conditions," said Robert B. Ford, chairman and chief executive officer, Abbott. "Our R&D pipeline continues to be highly productive with several recent and upcoming new product launches that position us well going forward."

## FOURTH-QUARTER BUSINESS OVERVIEW

*Note: Management believes that measuring sales growth rates on an organic basis is an appropriate way for investors to best understand the underlying performance of the business. Organic sales growth excludes the impact of foreign exchange. In order to compute results excluding the impact of exchange rates, current year U.S. dollar sales are multiplied or divided, as appropriate, by the current year average foreign exchange rates and then those amounts are multiplied or divided, as appropriate, by the prior year average foreign exchange rates. Management further believes that measuring sales growth rates on an organic basis excluding COVID-19 tests is an appropriate way for investors to best understand the underlying performance of the business in the fourth quarter ended Dec. 31, 2022 as well as in 2023 as the COVID-19 pandemic shifts to an endemic state, resulting in significantly lower expected demand for COVID-19 tests.*

### Total Company

(\$ in millions)

|                             | % Change vs. 4Q21 |       |        |          |        |        |         |        |        |
|-----------------------------|-------------------|-------|--------|----------|--------|--------|---------|--------|--------|
|                             | Sales 4Q22        |       |        | Reported |        |        | Organic |        |        |
|                             | U.S.              | Int'l | Total  | U.S.     | Int'l  | Total  | U.S.    | Int'l  | Total  |
| <b>Total <sup>6</sup></b>   | 4,219             | 5,872 | 10,091 | (13.1)   | (11.2) | (12.0) | (13.1)  | (0.9)  | (6.1)  |
| Nutrition                   | 795               | 1,022 | 1,817  | (14.4)   | (8.3)  | (11.1) | (14.4)  | 1.4    | (5.7)  |
| Diagnostics                 | 1,695             | 1,610 | 3,305  | (29.0)   | (22.8) | (26.1) | (29.0)  | (12.5) | (21.3) |
| Established Pharmaceuticals | —                 | 1,216 | 1,216  | n/a      | 1.0    | 1.0    | n/a     | 7.9    | 7.9    |
| Medical Devices             | 1,726             | 2,024 | 3,750  | 12.2     | (8.4)  | —      | 12.2    | 4.1    | 7.4    |

**% Change vs. 12M21**

|                             | Sales 12M22 |        |        | Reported |       |        | Organic |       |       |
|-----------------------------|-------------|--------|--------|----------|-------|--------|---------|-------|-------|
|                             | U.S.        | Int'l  | Total  | U.S.     | Int'l | Total  | U.S.    | Int'l | Total |
| <b>Total <sup>6</sup></b>   | 18,142      | 25,511 | 43,653 | 9.0      | (3.5) | 1.3    | 9.0     | 4.7   | 6.4   |
| Nutrition                   | 2,919       | 4,540  | 7,459  | (17.9)   | (4.2) | (10.1) | (17.9)  | 2.5   | (6.2) |
| Diagnostics                 | 8,646       | 7,938  | 16,584 | 21.3     | (6.8) | 6.0    | 21.3    | 1.3   | 10.4  |
| Established Pharmaceuticals | —           | 4,912  | 4,912  | n/a      | 4.1   | 4.1    | n/a     | 10.6  | 10.6  |
| Medical Devices             | 6,566       | 8,121  | 14,687 | 10.9     | (3.8) | 2.2    | 10.9    | 6.2   | 8.1   |

n/a = Not Applicable.

Worldwide COVID-19 testing-related sales were \$1.069 billion in the fourth quarter of 2022 compared to \$2.319 billion in the fourth quarter of the prior year. Worldwide COVID-19 testing-related sales were \$8.368 billion in the full year of 2022 compared to \$7.679 billion in the prior year.

The following tables summarize sales excluding COVID-19 testing-related sales and the change in reported and organic sales excluding COVID-19 testing-related sales in 2022 versus the prior year<sup>2</sup>:

**% Change vs. 4Q21**

|                           | Sales excl. COVID tests 4Q22 |       |       | Reported excl. COVID tests |       |       | Organic excl. COVID tests |       |       |
|---------------------------|------------------------------|-------|-------|----------------------------|-------|-------|---------------------------|-------|-------|
|                           | U.S.                         | Int'l | Total | U.S.                       | Int'l | Total | U.S.                      | Int'l | Total |
| <b>Total <sup>1</sup></b> | 3,443                        | 5,579 | 9,022 | 5.8                        | (5.4) | (1.4) | 5.8                       | 5.3   | 5.4   |
| Diagnostics               | 919                          | 1,317 | 2,236 | 16.8                       | (3.6) | 3.8   | 16.8                      | 8.0   | 11.2  |

**% Change vs. 12M21**

|              | Sales excl. COVID tests 12M22 |        |        | Reported excl. COVID tests |       |       | Organic excl. COVID tests |       |       |
|--------------|-------------------------------|--------|--------|----------------------------|-------|-------|---------------------------|-------|-------|
|              | U.S.                          | Int'l  | Total  | U.S.                       | Int'l | Total | U.S.                      | Int'l | Total |
| <b>Total</b> | 12,644                        | 22,641 | 35,285 | 2.5                        | (1.8) | (0.3) | 2.5                       | 6.5   | 5.1   |
| Diagnostics  | 3,148                         | 5,068  | 8,216  | 11.4                       | (1.4) | 3.1   | 11.4                      | 7.1   | 8.6   |

**Nutrition**

(\$ in millions)

**% Change vs. 4Q21**

|              | Sales 4Q22 |       |       | Reported |       |        | Organic |       |        |
|--------------|------------|-------|-------|----------|-------|--------|---------|-------|--------|
|              | U.S.       | Int'l | Total | U.S.     | Int'l | Total  | U.S.    | Int'l | Total  |
| <b>Total</b> | 795        | 1,022 | 1,817 | (14.4)   | (8.3) | (11.1) | (14.4)  | 1.4   | (5.7)  |
| Pediatric    | 454        | 428   | 882   | (20.4)   | (8.9) | (15.2) | (20.4)  | (1.2) | (11.8) |
| Adult        | 341        | 594   | 935   | (4.8)    | (7.9) | (6.8)  | (4.8)   | 3.4   | 0.5    |

**% Change vs. 12M21**

|  | Sales 12M22 |       |       | Reported |       |       | Organic |       |       |
|--|-------------|-------|-------|----------|-------|-------|---------|-------|-------|
|  | U.S.        | Int'l | Total | U.S.     | Int'l | Total | U.S.    | Int'l | Total |

|              | U.S.  | Int'l | Total | U.S.   | Int'l | Total  | U.S.   | Int'l | Total  |
|--------------|-------|-------|-------|--------|-------|--------|--------|-------|--------|
| <b>Total</b> | 2,919 | 4,540 | 7,459 | (17.9) | (4.2) | (10.1) | (17.9) | 2.5   | (6.2)  |
| Pediatric    | 1,562 | 1,919 | 3,481 | (28.7) | (8.9) | (19.0) | (28.7) | (3.9) | (16.6) |
| Adult        | 1,357 | 2,621 | 3,978 | (0.5)  | (0.4) | (0.4)  | (0.5)  | 7.6   | 4.8    |

Worldwide Nutrition sales decreased 11.1 percent on a reported basis and 5.7 percent on an organic basis in the fourth quarter. Total worldwide Nutrition and Pediatric Nutrition sales were negatively impacted as a result of manufacturing disruptions during 2022 of certain infant formula products<sup>3</sup> at Abbott's Sturgis, Michigan, facility. The manufacturing facility has subsequently restarted production.

In Adult Nutrition, global sales decreased 6.8 percent on a reported basis and increased 0.5 percent on an organic basis in the fourth quarter, led by Ensure<sup>®</sup>, Abbott's market-leading complete and balanced nutrition brand.

### Diagnostics

(\$ in millions)

#### % Change vs. 4Q21

|                   | Sales 4Q22 |       |       | Reported |        |        | Organic |        |        |
|-------------------|------------|-------|-------|----------|--------|--------|---------|--------|--------|
|                   | U.S.       | Int'l | Total | U.S.     | Int'l  | Total  | U.S.    | Int'l  | Total  |
| <b>Total</b>      | 1,695      | 1,610 | 3,305 | (29.0)   | (22.8) | (26.1) | (29.0)  | (12.5) | (21.3) |
| Core Laboratory   | 301        | 963   | 1,264 | 0.2      | (8.1)  | (6.3)  | 0.2     | 3.5    | 2.8    |
| Molecular         | 62         | 118   | 180   | (54.2)   | (43.9) | (47.9) | (54.2)  | (38.6) | (44.7) |
| Point of Care     | 88         | 43    | 131   | (7.6)    | 7.0    | (3.3)  | (7.6)   | 14.4   | (1.2)  |
| Rapid Diagnostics | 1,244      | 486   | 1,730 | (33.0)   | (38.2) | (34.5) | (33.0)  | (28.3) | (31.6) |

#### % Change vs. 12M21

|                   | Sales 12M22 |       |        | Reported |        |        | Organic |        |        |
|-------------------|-------------|-------|--------|----------|--------|--------|---------|--------|--------|
|                   | U.S.        | Int'l | Total  | U.S.     | Int'l  | Total  | U.S.    | Int'l  | Total  |
| <b>Total</b>      | 8,646       | 7,938 | 16,584 | 21.3     | (6.8)  | 6.0    | 21.3    | 1.3    | 10.4   |
| Core Laboratory   | 1,137       | 3,751 | 4,888  | (0.7)    | (5.8)  | (4.7)  | (0.7)   | 2.7    | 1.9    |
| Molecular         | 370         | 625   | 995    | (34.6)   | (27.4) | (30.3) | (34.6)  | (22.6) | (27.4) |
| Point of Care     | 372         | 153   | 525    | (3.2)    | 0.8    | (2.1)  | (3.2)   | 6.0    | (0.6)  |
| Rapid Diagnostics | 6,767       | 3,409 | 10,176 | 34.4     | (3.1)  | 19.0   | 34.4    | 5.4    | 22.5   |

As expected, Diagnostics sales in the fourth quarter were negatively impacted by year-over-year declines in COVID-19 testing-related sales. Worldwide COVID-19 testing-related sales were \$1.069 billion in the fourth quarter of 2022 compared to \$2.319 billion in the fourth quarter of the prior year.

The following tables summarize sales excluding COVID-19 testing-related sales and the change in reported and organic sales excluding COVID-19 testing-related sales in 2022 versus the prior year<sup>2</sup>:

#### % Change vs. 4Q21

|                 | Sales excl. COVID tests 4Q22 |       |       | Reported excl. COVID tests |       |       | Organic excl. COVID tests |       |       |
|-----------------|------------------------------|-------|-------|----------------------------|-------|-------|---------------------------|-------|-------|
|                 | U.S.                         | Int'l | Total | U.S.                       | Int'l | Total | U.S.                      | Int'l | Total |
| <b>Total</b>    | 919                          | 1,317 | 2,236 | 16.8                       | (3.6) | 3.8   | 16.8                      | 8.0   | 11.2  |
| Core Laboratory | 298                          | 956   | 1,254 | 1.5                        | (5.3) | (3.8) | 1.5                       | 6.8   | 5.6   |
| Molecular       | 45                           | 98    | 143   | (0.2)                      | (8.3) | (5.9) | (0.2)                     | (0.4) | (0.3) |
| Point of Care   | 88                           | 43    | 131   | (7.6)                      | 7.0   | (3.3) | (7.6)                     | 14.4  | (1.2) |

|                   |     |     |     |      |     |      |      |      |      |
|-------------------|-----|-----|-----|------|-----|------|------|------|------|
| Rapid Diagnostics | 488 | 220 | 708 | 38.3 | 4.6 | 25.7 | 38.3 | 16.8 | 30.3 |
|-------------------|-----|-----|-----|------|-----|------|------|------|------|

**% Change vs. 12M21**

|                   | Sales excl. COVID tests 12M22 |       |       | Reported excl. COVID tests |       |       | Organic excl. COVID tests |       |       |
|-------------------|-------------------------------|-------|-------|----------------------------|-------|-------|---------------------------|-------|-------|
|                   | U.S.                          | Int'l | Total | U.S.                       | Int'l | Total | U.S.                      | Int'l | Total |
| <b>Total</b>      | 3,148                         | 5,068 | 8,216 | 11.4                       | (1.4) | 3.1   | 11.4                      | 7.1   | 8.6   |
| Core Laboratory   | 1,121                         | 3,705 | 4,826 | 1.3                        | (2.9) | (2.0) | 1.3                       | 5.8   | 4.8   |
| Molecular         | 180                           | 404   | 584   | 11.4                       | 8.0   | 9.0   | 11.4                      | 14.8  | 13.8  |
| Point of Care     | 372                           | 153   | 525   | (3.2)                      | 0.8   | (2.1) | (3.2)                     | 6.0   | (0.6) |
| Rapid Diagnostics | 1,475                         | 806   | 2,281 | 25.6                       | 1.3   | 15.8  | 25.6                      | 9.4   | 19.1  |

**Established Pharmaceuticals**

(\$ in millions)

**% Change vs. 4Q21**

|                      | Sales 4Q22 |       |       | Reported |       |       | Organic |       |       |
|----------------------|------------|-------|-------|----------|-------|-------|---------|-------|-------|
|                      | U.S.       | Int'l | Total | U.S.     | Int'l | Total | U.S.    | Int'l | Total |
| <b>Total</b>         | —          | 1,216 | 1,216 | n/a      | 1.0   | 1.0   | n/a     | 7.9   | 7.9   |
| Key Emerging Markets | —          | 902   | 902   | n/a      | 3.9   | 3.9   | n/a     | 10.3  | 10.3  |
| Other                | —          | 314   | 314   | n/a      | (6.5) | (6.5) | n/a     | 1.9   | 1.9   |

**% Change vs. 12M21**

|                      | Sales 12M22 |       |       | Reported |       |       | Organic |       |       |
|----------------------|-------------|-------|-------|----------|-------|-------|---------|-------|-------|
|                      | U.S.        | Int'l | Total | U.S.     | Int'l | Total | U.S.    | Int'l | Total |
| <b>Total</b>         | —           | 4,912 | 4,912 | n/a      | 4.1   | 4.1   | n/a     | 10.6  | 10.6  |
| Key Emerging Markets | —           | 3,728 | 3,728 | n/a      | 5.4   | 5.4   | n/a     | 11.8  | 11.8  |
| Other                | —           | 1,184 | 1,184 | n/a      | 0.4   | 0.4   | n/a     | 7.3   | 7.3   |

Established Pharmaceuticals sales increased 1.0 percent on a reported basis and 7.9 percent on an organic basis in the fourth quarter.

Key Emerging Markets include several emerging countries that represent the most attractive long-term growth opportunities for Abbott's branded generics product portfolio. Sales in these geographies increased 3.9 percent on a reported basis and 10.3 percent on an organic basis, led by strong growth in several geographies including India, China, Brazil and Mexico, and across several therapeutic areas, including cardiometabolic, women's health and central nervous system/pain management.

**Medical Devices**

(\$ in millions)

**% Change vs. 4Q21**

|                   | Sales 4Q22 |       |       | Reported |        |       | Organic |       |       |
|-------------------|------------|-------|-------|----------|--------|-------|---------|-------|-------|
|                   | U.S.       | Int'l | Total | U.S.     | Int'l  | Total | U.S.    | Int'l | Total |
| <b>Total</b>      | 1,726      | 2,024 | 3,750 | 12.2     | (8.4)  | —     | 12.2    | 4.1   | 7.4   |
| Rhythm Management | 254        | 260   | 514   | 5.2      | (13.3) | (5.0) | 5.2     | (0.5) | 2.1   |

|                   |     |     |       |       |        |        |       |       |       |
|-------------------|-----|-----|-------|-------|--------|--------|-------|-------|-------|
| Electrophysiology | 242 | 245 | 487   | 22.7  | (19.8) | (3.1)  | 22.7  | (6.6) | 4.9   |
| Heart Failure     | 171 | 59  | 230   | 0.1   | (13.9) | (3.9)  | 0.1   | (4.5) | (1.2) |
| Vascular          | 214 | 391 | 605   | (7.5) | (12.5) | (10.8) | (7.5) | (1.4) | (3.5) |
| Structural Heart  | 214 | 227 | 441   | 10.9  | 0.4    | 5.2    | 10.9  | 15.7  | 13.5  |
| Neuromodulation   | 163 | 39  | 202   | 3.7   | (3.1)  | 2.3    | 3.7   | 11.7  | 5.3   |
| Diabetes Care     | 468 | 803 | 1,271 | 34.9  | (2.5)  | 8.6    | 34.9  | 9.8   | 17.3  |

|                   | % Change vs. 12M21 |       |        |          |       |       |         |       |       |
|-------------------|--------------------|-------|--------|----------|-------|-------|---------|-------|-------|
|                   | Sales 12M22        |       |        | Reported |       |       | Organic |       |       |
|                   | U.S.               | Int'l | Total  | U.S.     | Int'l | Total | U.S.    | Int'l | Total |
| <b>Total</b>      | 6,566              | 8,121 | 14,687 | 10.9     | (3.8) | 2.2   | 10.9    | 6.2   | 8.1   |
| Rhythm Management | 1,029              | 1,090 | 2,119  | 1.1      | (7.7) | (3.6) | 1.1     | 1.9   | 1.5   |
| Electrophysiology | 909                | 1,018 | 1,927  | 17.0     | (9.9) | 1.1   | 17.0    | 0.7   | 7.3   |
| Heart Failure     | 694                | 226   | 920    | 6.2      | (4.0) | 3.5   | 6.2     | 5.2   | 5.9   |
| Vascular          | 864                | 1,619 | 2,483  | (5.6)    | (6.9) | (6.4) | (5.6)   | 1.5   | (1.0) |
| Structural Heart  | 818                | 894   | 1,712  | 12.0     | 1.6   | 6.3   | 12.0    | 13.8  | 13.0  |
| Neuromodulation   | 619                | 151   | 770    | 0.3      | (8.1) | (1.4) | 0.3     | 2.9   | 0.9   |
| Diabetes Care     | 1,633              | 3,123 | 4,756  | 34.8     | 0.2   | 9.9   | 34.8    | 10.6  | 17.4  |

Worldwide Medical Devices sales were flat on a reported basis and increased 7.4 percent on an organic basis in the fourth quarter. Sales growth in the U.S. was led by strong double-digit growth in Electrophysiology, Structural Heart and Diabetes Care. Internationally, sales growth was negatively impacted by intermittent COVID-19 lockdown restrictions in China as well as supply constraints in certain areas, including Electrophysiology and Diabetes Care.

In Diabetes Care, FreeStyle Libre sales were approximately \$1.1 billion in the quarter, including U.S. growth of more than 40 percent.

In 2022, Abbott continued to strengthen its Medical Devices portfolio with several recent pipeline advancements, including U.S. FDA approvals of:

- Navitor, Abbott's latest-generation transcatheter aortic valve implantation (TAVI) system, used for the treatment of severe aortic stenosis.
- Eterna, Abbott's rechargeable spinal cord stimulator used for treating chronic pain.
- Aveir™ leadless pacemaker, used for treating patients with slow heart rhythms.
- An expanded indication of use for CardioMEMS™ HF remote monitoring system, which detects early warning signs of worsening heart failure.
- U.S. FDA clearance of the FreeStyle Libre 3 system, which provides continuous glucose readings and unsurpassed 14-day accuracy<sup>7</sup> in the world's smallest and thinnest<sup>7</sup> wearable sensor.

#### ABBOTT'S EARNINGS-PER-SHARE GUIDANCE

Abbott projects full-year 2023 diluted earnings per share from continuing operations under GAAP of \$3.05 to \$3.25. Abbott forecasts specified items for the full-year 2023 of \$1.25 per share primarily related to intangible amortization, restructuring and cost reduction initiatives and other net expenses. Excluding specified items, projected adjusted diluted earnings per share from continuing operations would be \$4.30 to \$4.50 for the full-year 2023.

#### ABBOTT DECLARES 396<sup>TH</sup> CONSECUTIVE QUARTERLY DIVIDEND

On Dec. 9, 2022, the board of directors of Abbott declared the company's quarterly dividend of \$0.51 per share. Abbott's cash dividend is payable Feb. 15, 2023, to shareholders of record at the close of business on Jan. 13, 2023.

Abbott has increased its dividend payout for 51 consecutive years and is a member of the S&P 500 Dividend Aristocrats Index, which tracks companies that have annually increased their dividend for at least 25 consecutive years.

#### About Abbott:

Abbott is a global healthcare leader that helps people live more fully at all stages of life. Our portfolio of life-changing technologies spans the spectrum of healthcare, with leading businesses and products in diagnostics, medical devices,

nutritionals and branded generic medicines. Our 115,000 colleagues serve people in more than 160 countries.

Connect with us at [www.abbott.com](http://www.abbott.com), on LinkedIn at [www.linkedin.com/company/abbott/](http://www.linkedin.com/company/abbott/), on Facebook at [www.facebook.com/Abbott](http://www.facebook.com/Abbott) and on Twitter [@AbbottNews](https://twitter.com/AbbottNews).

Abbott will live-webcast its fourth-quarter earnings conference call through its Investor Relations website at [www.abbottinvestor.com](http://www.abbottinvestor.com) at 8 a.m. Central time today. An archived edition of the webcast will be available later in the day.

**— Private Securities Litigation Reform Act of 1995 —  
A Caution Concerning Forward-Looking Statements**

*Some statements in this news release may be forward-looking statements for purposes of the Private Securities Litigation Reform Act of 1995. Abbott cautions that these forward-looking statements are subject to risks and uncertainties that may cause actual results to differ materially from those indicated in the forward-looking statements. Economic, competitive, governmental, technological and other factors that may affect Abbott's operations are discussed in Item 1A, "Risk Factors" in our Annual Report on Form 10-K for the year ended Dec. 31, 2021, and are incorporated herein by reference. Abbott undertakes no obligation to release publicly any revisions to forward-looking statements as a result of subsequent events or developments, except as required by law.*

- 1 In the fourth quarter of 2022, COVID-19 testing-related sales were \$1.069 billion. In the fourth quarter of 2021, total worldwide sales were \$11.468 billion, which included U.S. sales of \$4.855 billion and International sales of \$6.613 billion. In the fourth quarter of 2021, COVID-19 testing-related sales were \$2.319 billion.
- 2 For the full-year 2022, COVID-19 testing-related sales were \$8.368 billion. In 2021, total worldwide sales were \$43.075 billion, which included U.S. sales of \$16.642 billion and International sales of \$26.433 billion. For the full-year 2021, COVID-19 testing-related sales were \$7.679 billion. Diagnostic sales and COVID-19 testing-related sales in 2022 and 2021 are summarized below:

|                          | Sales 4Q22 |       |       | COVID Tests Sales 4Q22 |       |       |
|--------------------------|------------|-------|-------|------------------------|-------|-------|
|                          | U.S.       | Int'l | Total | U.S.                   | Int'l | Total |
| <b>Total Diagnostics</b> | 1,695      | 1,610 | 3,305 | 776                    | 293   | 1,069 |
| Core Laboratory          | 301        | 963   | 1,264 | 3                      | 7     | 10    |
| Molecular                | 62         | 118   | 180   | 17                     | 20    | 37    |
| Rapid Diagnostics        | 1,244      | 486   | 1,730 | 756                    | 266   | 1,022 |

|                          | Sales 4Q21 |       |       | COVID Tests Sales 4Q21 |       |       |
|--------------------------|------------|-------|-------|------------------------|-------|-------|
|                          | U.S.       | Int'l | Total | U.S.                   | Int'l | Total |
| <b>Total Diagnostics</b> | 2,386      | 2,085 | 4,471 | 1,600                  | 719   | 2,319 |
| Core Laboratory          | 300        | 1,048 | 1,348 | 7                      | 39    | 46    |
| Molecular                | 135        | 210   | 345   | 89                     | 103   | 192   |
| Rapid Diagnostics        | 1,856      | 787   | 2,643 | 1,504                  | 577   | 2,081 |

|                          | Sales 12M22 |       |        | COVID Tests Sales 12M22 |       |       |
|--------------------------|-------------|-------|--------|-------------------------|-------|-------|
|                          | U.S.        | Int'l | Total  | U.S.                    | Int'l | Total |
| <b>Total Diagnostics</b> | 8,646       | 7,938 | 16,584 | 5,498                   | 2,870 | 8,368 |
| Core Laboratory          | 1,137       | 3,751 | 4,888  | 16                      | 46    | 62    |
| Molecular                | 370         | 625   | 995    | 190                     | 221   | 411   |
| Rapid Diagnostics        | 6,767       | 3,409 | 10,176 | 5,292                   | 2,603 | 7,895 |

|                          | Sales 12M21 |       |        | COVID Tests Sales 12M21 |       |       |
|--------------------------|-------------|-------|--------|-------------------------|-------|-------|
|                          | U.S.        | Int'l | Total  | U.S.                    | Int'l | Total |
| <b>Total Diagnostics</b> | 7,129       | 8,515 | 15,644 | 4,302                   | 3,377 | 7,679 |
| Core Laboratory          | 1,145       | 3,983 | 5,128  | 37                      | 167   | 204   |

|                   |       |       |       |       |       |       |
|-------------------|-------|-------|-------|-------|-------|-------|
| Molecular         | 566   | 861   | 1,427 | 405   | 487   | 892   |
| Rapid Diagnostics | 5,034 | 3,519 | 8,553 | 3,860 | 2,723 | 6,583 |

- 3 U.S. sales of certain infant formula products impacted by the 2022 manufacturing disruptions were \$202 million in 4Q22 and \$329 million in 4Q21 and \$479 million for the full-year 2022 and \$1.229 billion for the full-year 2021. Excluding COVID-19 testing-related sales and U.S. infant formula sales that were impacted by manufacturing disruptions, fourth-quarter sales were flat on a reported basis and increased 7.1 percent on an organic basis.
- 4 Abbott has not provided the GAAP financial measure for organic sales growth, excluding COVID-19 testing-related sales, on a forward-looking basis because the company is unable to predict the impact of foreign exchange due to the unpredictability of future changes in foreign exchange rates, which could significantly impact reported sales growth.
- 5 Abbott. Eterna SCS IPG Size Comparison Memo (MAT-2210151); 2022.
- 6 Total Abbott sales include Other Sales of approximately \$3 million in 4Q22 and approximately \$11 million in 12M22.
- 7 Data on file, Abbott Diabetes Care. Comparison based on publicly available information.

Abbott Laboratories and Subsidiaries  
Condensed Consolidated Statement of Earnings  
Fourth Quarter Ended December 31, 2022 and 2021  
(in millions, except per share data)  
(unaudited)

|   | 4Q22     | 4Q21     | % Change  |
|---|----------|----------|-----------|
| Net Sales   | \$10,091 | \$11,468 | (12.0)    |
| Cost of products sold, excluding amortization expense                               | 4,593    | 4,766    | (3.6)     |
| Amortization of intangible assets   | 496      | 514      | (3.7)     |
| Research and development  | 725      | 762      | (4.8)     |
| Selling, general, and administrative  | 2,973    | 3,048    | (2.5)     |
| Total Operating Cost and Expenses   | 8,787    | 9,090    | (3.3)     |
| Operating Earnings  | 1,304    | 2,378    | (45.2)    |
| Interest expense, net   | 66       | 120      | (45.2)    |
| Net foreign exchange (gain) loss  | (14)     | (6)      | n/m       |
| Other (income) expense, net   | (68)     | (63)     | 8.1       |
| Earnings before taxes   | 1,320    | 2,327    | (43.3)    |
| Taxes on earnings   | 287      | 338      | (15.2) 1) |
| Net Earnings  | \$1,033  | \$1,989  | (48.1)    |
| Net Earnings excluding Specified Items, as described below                          | \$1,811  | \$2,366  | (23.4) 2) |
| Diluted Earnings per Common Share   | \$0.59   | \$1.11   | (46.8)    |
| Diluted Earnings per Common Share,<br>excluding Specified Items, as described below | \$1.03   | \$1.32   | (22.0) 2) |

Average Number of Common Shares Outstanding

Plus Dilutive Common Stock Options 1,754 1,782

NOTES:

See table titled "Non-GAAP Reconciliation of Financial Information" for additional details regarding specified items.

n/m = Percent change is not meaningful.

See footnotes on the following below.

1) 2021 Taxes on Earnings includes the recognition of approximately \$40 million of net tax benefits as a result of the resolution of various tax positions related to prior years and approximately \$45 million in excess tax benefits associated with share-based compensation.

2) 2022 Net Earnings and Diluted Earnings per Common Share, excluding Specified Items, excludes net after-tax charges of \$778 million, or \$0.44 per share, for intangible amortization, charges related to restructuring and cost reduction initiatives, expenses associated with acquisitions, and other net expenses.

2021 Net Earnings and Diluted Earnings per Common Share from Continuing Operations, excluding Specified Items, excludes net after-tax charges of \$377 million, or \$0.21 per share, for intangible amortization and other expenses primarily associated with restructuring actions and acquisitions, partially offset by a change in estimate to the restructuring actions recognized in the second quarter of 2021 related to Abbott's manufacturing network for COVID-19 diagnostic tests to reflect current and projected demand.

Abbott Laboratories and Subsidiaries

Condensed Consolidated Statement of Earnings

Twelve Months Ended December 31, 2022 and 2021

(in millions, except per share data)

(unaudited)

|  | 12M22    | 12M21    | % Change |
|--|----------|----------|----------|
| Net Sales  | \$43,653 | \$43,075 | 1.3      |
| Cost of products sold, excluding amortization expense      | 19,142   | 18,537   | 3.3      |
| Amortization of intangible assets                          | 2,013    | 2,047    | (1.7)    |
| Research and development                                   | 2,888    | 2,742    | 5.3      |
| Selling, general, and administrative                       | 11,248   | 11,324   | (0.7)    |
| Total Operating Cost and Expenses                          | 35,291   | 34,650   | 1.8      |
| Operating Earnings   | 8,362    | 8,425    | (0.7)    |
| Interest expense, net                                      | 375      | 490      | (23.4)   |
| Net foreign exchange (gain) loss                           | 2        | 1        | n/m      |
| Other (income) expense, net                                | (321)    | (277)    | 16.0     |
| Earnings before taxes                                      | 8,306    | 8,211    | 1.2      |
| Taxes on earnings  | 1,373    | 1,140    | 20.5 1)  |
| Net Earnings   | \$6,933  | \$7,071  | (2.0)    |
| Net Earnings excluding Specified Items, as described below | \$9,466  | \$9,367  | 1.1 2)   |



|   |                   |                   |        |
|---|-------------------|-------------------|--------|
| Diluted Earnings per Common Share   | \$3.91            | \$3.94            | (0.8)  |
|   | <u>          </u> | <u>          </u> |        |
| Diluted Earnings per Common Share,<br>excluding Specified Items, as described below | \$5.34            | \$5.21            | 2.5 2) |
|   | <u>          </u> | <u>          </u> |        |
| Average Number of Common Shares Outstanding   |                   |                   |        |
| Plus Dilutive Common Stock Options  | 1,764             | 1,789             |        |

NOTES:

See table titled "Non-GAAP Reconciliation of Financial Information" for additional details regarding specified items.

n/m = Percent change is not meaningful.

See footnotes on the following below.

- 1) 2022 Taxes on Earnings includes the recognition of approximately \$20 million of net tax expense as a result of the resolution of various tax positions related to prior years and approximately \$43 million in excess tax benefits associated with share-based compensation.

2021 Taxes on Earnings includes the recognition of approximately \$55 million of net tax benefits as a result of the resolution of various tax positions related to prior years and approximately \$145 million in excess tax benefits associated with share-based compensation.

- 2) 2022 Net Earnings and Diluted Earnings per Common Share, excluding Specified Items, excludes net after-tax charges of \$2.533 billion, or \$1.43 per share, for intangible amortization, charges related to a voluntary recall and restructuring actions, the impairment of R&D intangible assets, acquisition-related costs and other net expenses.

2021 Net Earnings and Diluted Earnings per Common Share from Continuing Operations, excluding Specified Items, excludes net after-tax charges of \$2.296 billion, or \$1.27 per share, for intangible amortization and other net expenses primarily associated with restructuring actions, certain litigation and acquisitions.

Abbott Laboratories and Subsidiaries

Non-GAAP Reconciliation of Financial Information

Fourth Quarter Ended December 31, 2022 and 2021

(in millions, except per share data)

(unaudited)

|                                | 4Q22            |                 |          |
|--------------------------------|-----------------|-----------------|----------|
|                                | As              |                 | As       |
|                                | Reported (GAAP) | Specified Items | Adjusted |
| Intangible Amortization        | \$ 496          | \$ (496)        | \$ —     |
| Gross Margin                   | 5,002           | 612             | 5,614    |
| R&D                            | 725             | (71)            | 654      |
| SG&A                           | 2,973           | (144)           | 2,829    |
| Other (income) expense,<br>net | (68)            | (24)            | (92)     |
| Earnings before taxes          | 1,320           | 851             | 2,171    |
| Taxes on Earnings              | 287             | 73              | 360      |
| Net Earnings                   | 1,033           | 778             | 1,811    |
| Diluted Earnings per Share     | \$ 0.59         | \$ 0.44         | \$ 1.03  |

Specified items reflect intangible amortization expense of \$496 million and other net expenses of \$355 million associated with restructuring actions, costs associated with acquisitions and other expenses. See table titled "Non-GAAP Reconciliation of Financial Information" for additional details regarding specified items.

| <b>4Q21</b>                 |                        |                        |                 |
|-----------------------------|------------------------|------------------------|-----------------|
|                             | <b>As</b>              |                        | <b>As</b>       |
|                             | <b>Reported (GAAP)</b> | <b>Specified Items</b> | <b>Adjusted</b> |
| Intangible Amortization     | \$ 514                 | \$ (514)               | \$ —            |
| Gross Margin                | 6,188                  | 434                    | 6,622           |
| R&D                         | 762                    | (39)                   | 723             |
| SG&A                        | 3,048                  | (43)                   | 3,005           |
| Other (income) expense, net | (63)                   | (5)                    | (68)            |
| Earnings before taxes       | 2,327                  | 521                    | 2,848           |
| Taxes on Earnings           | 338                    | 144                    | 482             |
| Net Earnings                | 1,989                  | 377                    | 2,366           |
| Diluted Earnings per Share  | \$ 1.11                | \$ 0.21                | \$ 1.32         |

Specified items reflect intangible amortization expense of \$514 million and other net expenses of \$7 million that includes costs associated with acquisitions and other expenses, partially offset by a change in estimate to the restructuring actions recognized in the second quarter of 2021. See tables titled "A reconciliation of the fourth-quarter tax rates for 2022 and 2021" for additional details regarding specified items.

Abbott Laboratories and Subsidiaries  
Non-GAAP Reconciliation of Financial Information  
Twelve Months Ended December 31, 2022 and 2021  
(in millions, except per share data)  
(unaudited)

| <b>12M22</b>                |                        |                        |                 |
|-----------------------------|------------------------|------------------------|-----------------|
|                             | <b>As</b>              |                        | <b>As</b>       |
|                             | <b>Reported (GAAP)</b> | <b>Specified Items</b> | <b>Adjusted</b> |
| Intangible Amortization     | \$ 2,013               | \$ (2,013)             | \$ —            |
| Gross Margin                | 22,498                 | 2,351                  | 24,849          |
| R&D                         | 2,888                  | (282)                  | 2,606           |
| SG&A                        | 11,248                 | (236)                  | 11,012          |
| Other (income) expense, net | (321)                  | (55)                   | (376)           |
| Earnings before taxes       | 8,306                  | 2,924                  | 11,230          |
| Taxes on Earnings           | 1,373                  | 391                    | 1,764           |
| Net Earnings                | 6,933                  | 2,533                  | 9,466           |
| Diluted Earnings per Share  | \$ 3.91                | \$ 1.43                | \$ 5.34         |

Specified items reflect intangible amortization expense of \$2.013 billion and other net expenses of \$911 million that includes charges for the impairment of R&D intangible assets, costs associated with a product recall and restructuring actions, acquisition-related costs, and other net expenses. See tables titled "Details of Specified Items" for additional details regarding specified items.

| 12M21                       |                 |                 |          |
|-----------------------------|-----------------|-----------------|----------|
|                             | As              |                 | As       |
|                             | Reported (GAAP) | Specified Items | Adjusted |
| Intangible Amortization     | \$ 2,047        | \$ (2,047)      | \$ —     |
| Gross Margin                | 22,491          | 2,476           | 24,967   |
| R&D                         | 2,742           | (106)           | 2,636    |
| SG&A                        | 11,324          | (317)           | 11,007   |
| Other (income) expense, net | (277)           | 25              | (252)    |
| Earnings before taxes       | 8,211           | 2,874           | 11,085   |
| Taxes on Earnings           | 1,140           | 578             | 1,718    |
| Net Earnings                | 7,071           | 2,296           | 9,367    |
| Diluted Earnings per Share  | \$ 3.94         | \$ 1.27         | \$ 5.21  |

Specified items reflect intangible amortization expense of \$2.047 billion and other net expenses of \$827 million, primarily associated with restructuring actions, certain litigation, acquisitions and other expenses. See tables titled "Details of Specified Items" for additional details regarding specified items.

A reconciliation of the fourth-quarter tax rates for 2022 and 2021 is shown below:

| 4Q22                             |          |          |        |
|----------------------------------|----------|----------|--------|
|                                  | Pre-Tax  | Taxes on | Tax    |
| (\$ in millions)                 | Income   | Earnings | Rate   |
| <b>As reported (GAAP)</b>        | \$ 1,320 | \$ 287   | 21.7 % |
| Specified items                  | 851      | 73       |        |
| <b>Excluding specified items</b> | \$ 2,171 | \$ 360   | 16.5 % |

  

| 4Q21                             |          |          |                      |
|----------------------------------|----------|----------|----------------------|
|                                  | Pre-Tax  | Taxes on | Tax                  |
| (\$ in millions)                 | Income   | Earnings | Rate                 |
| <b>As reported (GAAP)</b>        | \$ 2,327 | \$ 338   | 14.5 % <sup>1)</sup> |
| Specified items                  | 521      | 144      |                      |
| <b>Excluding specified items</b> | \$ 2,848 | \$ 482   | 16.9 %               |

1) 2021 Taxes on Earnings includes the recognition of approximately \$40 million of net tax benefits as a result of the resolution of various tax positions related to prior years and approximately \$45 million in excess tax benefits associated with share-based compensation.

A reconciliation of the year-to-date tax rates for 2022 and 2021 is shown below:

#### 12M22

|                                  | Pre-Tax<br>Income | Taxes on<br>Earnings | Tax<br>Rate      |
|----------------------------------|-------------------|----------------------|------------------|
| (\$ in millions)                 |                   |                      |                  |
| <b>As reported (GAAP)</b>        | <b>\$ 8,306</b>   | <b>\$ 1,373</b>      | <b>16.5 %</b> 2) |
| Specified items                  | 2,924             | 391                  |                  |
| <b>Excluding specified items</b> | <b>\$ 11,230</b>  | <b>\$ 1,764</b>      | <b>15.7 %</b>    |

**12M21**

|                                  | Pre-Tax<br>Income | Taxes on<br>Earnings | Tax<br>Rate      |
|----------------------------------|-------------------|----------------------|------------------|
| (\$ in millions)                 |                   |                      |                  |
| <b>As reported (GAAP)</b>        | <b>\$ 8,211</b>   | <b>\$ 1,140</b>      | <b>13.9 %</b> 3) |
| Specified items                  | 2,874             | 578                  |                  |
| <b>Excluding specified items</b> | <b>\$ 11,085</b>  | <b>\$ 1,718</b>      | <b>15.5 %</b>    |

2) 2022 Taxes on Earnings includes the recognition of approximately \$20 million of net tax expense as a result of the resolution of various tax positions related to prior years and approximately \$43 million in excess tax benefits associated with share-based compensation.

3) 2021 Taxes on Earnings includes the recognition of approximately \$55 million of net tax benefits as a result of the resolution of various tax positions related to prior years and approximately \$145 million in excess tax benefits associated with share-based compensation.

**Abbott Laboratories and Subsidiaries**

**Details of Specified Items**

**Fourth Quarter Ended December 31, 2022**

(in millions, except per share data)

(unaudited)

|                             | Acquisition or<br>Divestiture-<br>related (a) | Restructuring<br>and Cost<br>Reduction<br>Initiatives (b) | Intangible<br>Amortization | Other (c) | Total<br>Specifieds |
|-----------------------------|---|---|----------------------------|-----------|---------------------|
| Gross Margin                | \$ 23   | \$ 87   | \$ 496                     | \$ 6      | \$ 612              |
| R&D                         | (6)   | (34)  | —                          | (31)      | (71)                |
| SG&A                        | (7)   | (135)   | —                          | (2)       | (144)               |
| Other (income) expense, net | 3   | —   | —                          | (27)      | (24)                |
| Earnings before taxes       | \$ 33   | \$ 256  | \$ 496                     | \$ 66     | 851                 |
| Taxes on Earnings (d)       |   |   |                            |           | 73                  |
| Net Earnings                |   |   |                            |           | \$ 778              |
| Diluted Earnings per Share  |   |   |                            |           | \$ 0.44             |

The table above provides additional details regarding the specified items described on table titled "Condensed Consolidated Statement of Earnings."

a) Acquisition-related expenses include integration costs, which represent incremental costs directly related to integrating the acquired businesses and include expenditures for the integration of systems, processes and business activities.

b) Restructuring and cost reduction initiative expenses include severance, outplacement, and other direct costs associated with specific restructuring plans and cost reduction initiatives.

- c) Other includes incremental costs to comply with the European Union's Medical Device Regulations (MDR) and In Vitro Diagnostics Medical Device Regulations (IVDR) requirements for previously approved products as well as the impairment of an equity investment.
- d) Reflects the net tax benefit associated with the specified items.

Abbott Laboratories and Subsidiaries  
Details of Specified Items  
Fourth Quarter Ended December 31, 2021  
(in millions, except per share data)  
(unaudited)

|                             | Restructuring  |                 |              |           |            |
|-----------------------------|----------------|-----------------|--------------|-----------|------------|
|                             | Acquisition or | and Cost        | Intangible   |           | Total      |
|                             | Divestiture-   | Reduction       | Amortization | Other (c) | Specifieds |
|                             | related (a)    | Initiatives (b) |              |           |            |
| Gross Margin                | \$ 26          | \$ (110)        | \$ 514       | \$ 4      | \$ 434     |
| R&D                         | (6)            | (8)             | —            | (25)      | (39)       |
| SG&A                        | (12)           | (23)            | —            | (8)       | (43)       |
| Other (income) expense, net | (2)            | —               | —            | (3)       | (5)        |
| Earnings before taxes       | \$ 46          | \$ (79)         | \$ 514       | \$ 40     | 521        |
| Taxes on Earnings (d)       |                |                 |              |           | 144        |
| Net Earnings                |                |                 |              |           | \$ 377     |
| Diluted Earnings per Share  |                |                 |              |           | \$ 0.21    |

The table above provides additional details regarding the specified items described on titled "Condensed Consolidated Statement of Earnings."

- a) Acquisition-related expenses include integration costs, which represent incremental costs directly related to integrating the acquired businesses and include expenditures for the integration of systems, processes and business activities.
- b) Restructuring and cost reduction initiative expenses include severance, outplacement, and other direct costs associated with specific restructuring plans and cost reduction initiatives. Restructuring and cost reduction plans consist of distinct initiatives to streamline operations including the consolidation and rationalization of business activities and facilities, workforce reductions, the transfer of product lines between manufacturing facilities, and the transfer of other business activities between sites. The Gross Margin amount includes a credit associated with a change in estimate to the charges taken in the second quarter of 2021 for a restructuring plan related to Abbott's manufacturing network for COVID-19 diagnostic tests to reflect current and projected demand.
- c) Other includes incremental costs to comply with the European Union's MDR and IVDR requirements for previously approved products.
- d) Reflects the net tax benefit associated with the specified items and excess tax benefits associated with share-based compensation.

Abbott Laboratories and Subsidiaries  
Details of Specified Items  
Twelve Months Ended December 31, 2022  
(in millions, except per share data)  
(unaudited)

|                             | Acquisition or              | Restructuring<br>and Cost    | Intangible   |           | Total      |
|-----------------------------|-----------------------------|------------------------------|--------------|-----------|------------|
|                             | Divestiture-<br>related (a) | Reduction<br>Initiatives (b) | Amortization | Other (c) | Specifieds |
| Gross Margin                | \$ 79                       | \$ 86                        | \$ 2,013     | \$ 173    | \$ 2,351   |
| R&D                         | (16)                        | (38)                         | —            | (228)     | (282)      |
| SG&A                        | (38)                        | (140)                        | —            | (58)      | (236)      |
| Other (income) expense, net | (12)                        | —                            | —            | (43)      | (55)       |
| Earnings before taxes       | \$ 145                      | \$ 264                       | \$ 2,013     | \$ 502    | 2,924      |
| Taxes on Earnings (d)       |                             |                              |              |           | 391        |
| Net Earnings                |                             |                              |              |           | \$ 2,533   |
| Diluted Earnings per Share  |                             |                              |              |           | \$ 1.43    |

The table above provides additional details regarding the specified items described on table titled "Condensed Consolidated Statement of Earnings."

- a) Acquisition-related expenses include integration costs, which represent incremental costs directly related to integrating the acquired businesses and include expenditures for the integration of systems, processes and business activities.
- b) Restructuring and cost reduction initiative expenses include severance, outplacement, and other direct costs associated with specific restructuring plans and cost reduction initiatives. The Gross Margin amount includes a credit associated with the charges taken in the second quarter of 2021 for a restructuring plan related to Abbott's manufacturing network for COVID-19 diagnostic tests.
- c) Other primarily relates to the net costs related to a voluntary recall within the Nutrition segment, charges associated with the impairments of R&D intangible assets and an equity investment acquired in a business combination, incremental costs to comply with the European Union's MDR and IVDR Regulations for previously approved products and costs related to certain litigation.
- d) Reflects the net tax benefit associated with the specified items, excess tax benefits associated with share-based compensation and net tax expense as a result of the resolution of various tax positions related to prior years.

#### Abbott Laboratories and Subsidiaries

##### Details of Specified Items

Twelve Months Ended December 31, 2021

(in millions, except per share data)

(unaudited)

|                             | Acquisition or              | Restructuring<br>and Cost    | Intangible   |           | Total      |
|-----------------------------|-----------------------------|------------------------------|--------------|-----------|------------|
|                             | Divestiture-<br>related (a) | Reduction<br>Initiatives (b) | Amortization | Other (c) | Specifieds |
| Gross Margin                | \$ 82                       | \$ 323                       | \$ 2,047     | \$ 24     | \$ 2,476   |
| R&D                         | (15)                        | (7)                          | —            | (84)      | (106)      |
| SG&A                        | (55)                        | (45)                         | —            | (217)     | (317)      |
| Other (income) expense, net | 1                           | 1                            | —            | 23        | 25         |
| Earnings before taxes       | \$ 151                      | \$ 374                       | \$ 2,047     | \$ 302    | 2,874      |
| Taxes on Earnings (d)       |                             |                              |              |           | 578        |
| Net Earnings                |                             |                              |              |           | \$ 2,296   |

Diluted Earnings per Share

\$ 1.27

The table above provides additional details regarding the specified items described on table titled "Condensed Consolidated Statement of Earnings."

- a) Acquisition-related expenses include integration costs, which represent incremental costs directly related to integrating the acquired businesses and include expenditures for the integration of systems, processes and business activities.
- b) Restructuring and cost reduction initiative expenses include severance, outplacement, and other direct costs associated with specific restructuring plans and cost reduction initiatives. Restructuring and cost reduction plans consist of distinct initiatives to streamline operations including the consolidation and rationalization of business activities and facilities, workforce reductions, the transfer of product lines between manufacturing facilities, and the transfer of other business activities between sites. The Gross Margin amount includes charges associated with a restructuring plan to align Abbott's manufacturing network for COVID-19 diagnostic tests with changes during the year in current and projected testing demand.
- c) Other primarily relates to the costs related to certain litigation, the acquisition of a research and development asset, the impairments of an equity investment and an intangible asset, and the gain on the disposition of an equity method investment.
- d) Reflects the net tax benefit associated with the specified items and excess tax benefits associated with share-based compensation.

SOURCE Abbott

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