INTEGRATED SUPPLY CHAIN

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2022 Investor Conference

Forward-Looking Statements

The presentations being made on May 25, 2022 include forward-looking statements concerning Baxter's financial results, R&D pipeline, including planned product launches (many of which are subject to regulatory approval and may require additional investment) and results of clinical trials, business development activities (including anticipated cost and revenue synergies), capital structure, cost savings initiatives, Baxter's long range plan (which includes financial outlook for 2022 and 2022-2025) and other growth strategies. These forward-looking statements are based on assumptions about many important factors, including the following, which could cause actual results to differ materially from those in the forward-looking statements: the impact of global economic conditions (including the ongoing war in Ukraine and the related economic sanctions being imposed globally in response to the conflict and potential trade wars) and public health crises and epidemics, such as the ongoing coronavirus (COVID-19) pandemic, on the company and its employees, customers and suppliers, including foreign governments in countries in which the company operates; demand for and market acceptance of risks for new and existing products; product development risks (including satisfactory clinical performance and obtaining required regulatory approvals); product quality or patient safety concerns; continuity, availability and pricing of acceptable raw materials and component supply (including impacts from COVID-19); inability to create additional production capacity in a timely manner or the occurrence of other manufacturing or supply difficulties (including as a result of a natural disaster, public health crises and epidemics/pandemics, geopolitical crises, regulatory actions or otherwise); accurate identification of and execution on business development and R&D opportunities and realization of anticipated benefits (including the acquisitions of Cheetah Medical, Seprafilm Adhesion Barrier, specified OUS rights to Caelyx/Doxil, full U.S. and specific OUS rights to Transderm Scop, PerClot, Hillrom and certain rights to Zosyn in the U.S. and Canada); breaches or failures of Baxter's information technology systems or products, including by cyberattack, unauthorized access or theft; the adequacy of Baxter's cash flows from operations and other sources of liquidity to meet its ongoing cash obligations and fund its investment program; loss of key employees or inability to identify and recruit new employees; future actions of regulatory bodies and other governmental authorities, including FDA, the Department of Justice, the SEC, the New York Attorney General and foreign regulatory agencies, including the continued delay in lifting the warning letter at Baxter's Ahmedabad facility; the outcome of pending or future litigation, including the opioid litigation and current and future ethylene oxide litigation or other claims; proposed regulatory changes of the U.S. Department of Health and Human Services in kidney health policy and reimbursement, which may substantially change the U.S. end-stage renal disease market and demand for the company's peritoneal dialysis products, necessitating significant multiyear capital expenditures, which are difficult to estimate in advance; failures with respect to compliance programs; future actions of third parties, including payers; U.S. healthcare reform and other global austerity measures; pricing, reimbursement, taxation and rebate policies of government agencies and private payers; the impact of competitive products and pricing, including generic competition, drug reimportation and disruptive technologies; fluctuations in foreign exchange and interest rates; the ability to enforce owned or in-licensed patents or the prevention or restriction of the manufacture, sale or use of products or technology affected by patents of third parties; global, trade and tax policies; any change in laws concerning the taxation of income (including current or future tax reform), including income earned outside the United States and potential taxes associated with the Base Erosion and Anti-Abuse Tax or the Build Back Better framework; actions taken by tax authorities in connection with ongoing tax audits; and other risks identified in Baxter's most recent filing on Form 10-K and other Securities and Exchange Commission filings, all of which are available on Baxter's website. Baxter does not undertake to update its forward-looking statements.

Building A World-Class Integrated Supply Chain[1]

Planning & Fulfillment

800K+ Freight Lanes

100+ Countries

Procurement

~$8B

($3B Direct / $5B Indirect)
Total Spend

Operations

4 Billion Units Produced Annually

65 Plants

Sustainability Goals

25% Reduction in Scope 1&2 GHG Emissions by 2030

2040 Carbon Neutrality

~$8B Of COGS With 36,000 Employees In 27 Countries

[1]Data as of February 2022.

Transformation Journey: Integrated Supply Chain

2020 - 2021
Enhancing Foundation

End-To-End Operating Unit Ownership

Strategic Cost Reduction vs. Short Term Focus

Automation & Digitization

Network Optimization

2022 - 2025
Accelerating Transformation

Introduction of the Baxter Operating System

Predictive Analytics

Sales Inventory & Operations Planning Process

Make Where You Sell; Buy Where You Make

People | **Compliance** | **Resilience**

Challenging Macroenvironment Leading To Near Term Inflationary Pressures

20%+ Materials	20%+ Labor	30%+ Freight
Estimated Total Inflation 2020 - 2022	Estimated Total Inflation 2020 - 2022	Estimated Total Inflation 2020 - 2022

Materials

Price Increases

Reduced Availability

- Resin
- API/Chemical
- Dextrose
- Hardware
- Molded Components

Labor

Increased Labor Costs:
Wage Rates | Overtime | Bonuses

Worker Shortage

Rising Inflation Rates

Freight

Congested Ports

Fuel & Driver Shortages

Reduced Air Cargo Capacity

~40% Of The Impact	~20% Of The Impact	~40% Of The Impact

Absorbed Over $600M In Gross Inflationary Pressures Between 2020 To 2022

Driving A Robust Value Improvement Process

Value Drivers:

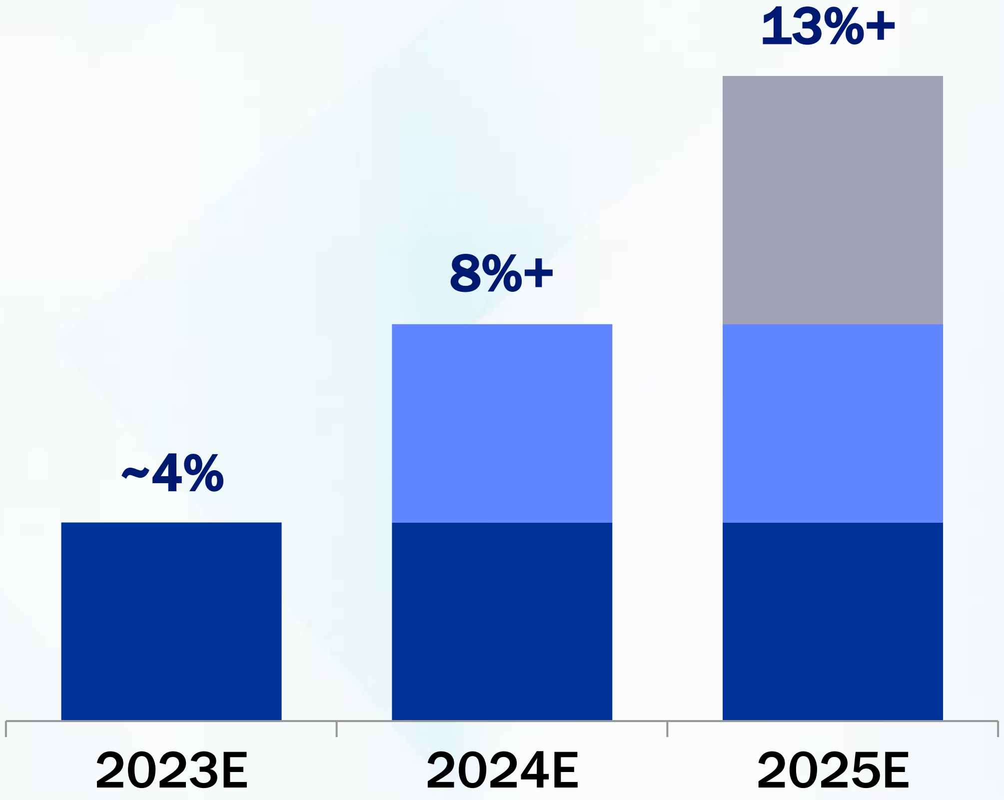
- Materials
- Productivity
- Architecture
- Automation & Digitization
- Analytics

Reorienting the organization back to "Lean" basics

Enhancing Value Improvement Processes (VIP) by:

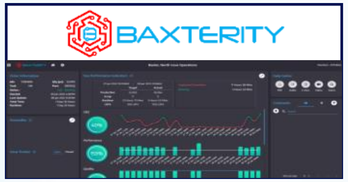
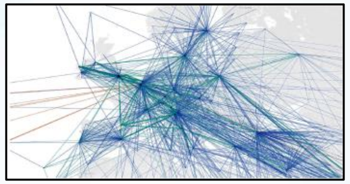
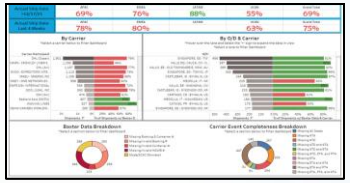
- Implementing a shared strategic cost reduction plan
- Creating and maintaining a multi-year funnel of VIPs
- Driving improvement mindset across the organization outside of ISC

Cumulative VIP Performance (% of Value Of Production)



Delivering ~$650M Of Anticipated Gross Savings By 2025

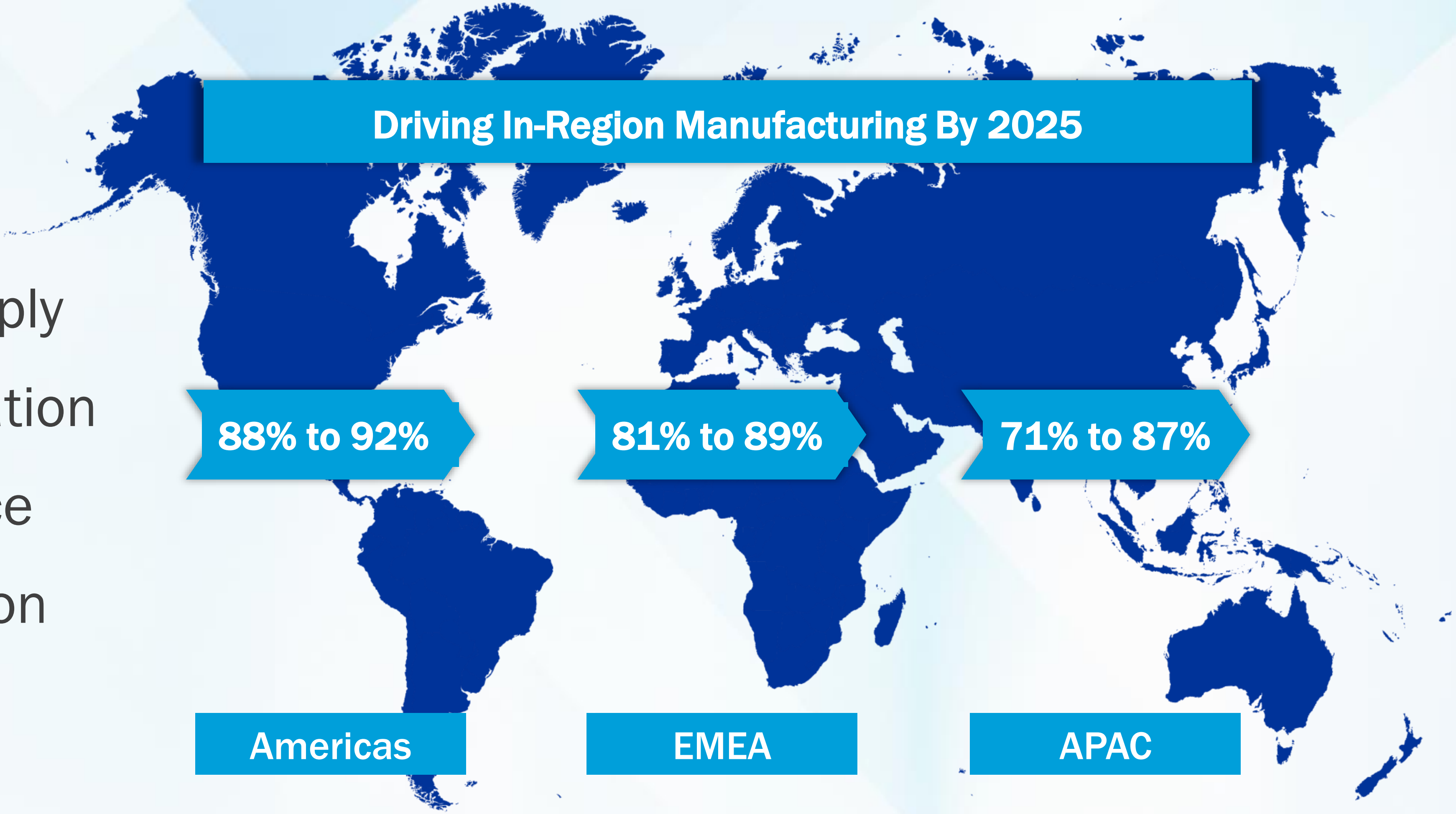
Implementing A Detailed Roadmap To Drive VIPs

Value Driver	Key Initiatives	
Materials 30% Of VIP	• Dual/Secondary Sources • Insourcing of Molded Components • Strategic Partnerships	
Productivity 22% Of VIP	• Direct & Indirect Labor Efficiencies • Overall Equipment Effectiveness • Waste Reduction	
Architecture 16% Of VIP	• In Region/For Region Manufacturing & Fulfillment • Manufacturing & Distribution Network Rationalization	
Automation & Digitization 16% Of VIP	• Automated Filling, Pouching & Inspection • Automated Set Assembly • Integrated Vision Systems	
Analytics 16% Of VIP	• Advanced Planning Tools • Control Tower • Predictive Analytics	

Disciplined Governance In Place To Drive Savings Target

Optimizing Baxter's Global Network

- Regionalization of Supply
- Enhanced Asset Utilization
- Supply Chain Resilience
- Footprint Rationalization



Make Where You Sell; Buy Where You Make

Integrated Supply Chain Becoming A Competitive Advantage

- Accelerating the **cultural and operational transformation**
- Building an **end-to-end, resilient, cost-effective** Integrated Supply Chain
- Simplifying processes to enable **speed and agility** through Lean principles
- Driving network optimization while implementing "**make where you sell; buy where you make**" mindset
- Mitigating near term headwinds through VIPs, labor optimization, and increased governance and visibility to be well positioned to deliver **margin accretion post-inflationary cycle**

People | **Compliance** | **Resilience**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