



Baxter

STRATEGY FOR VALUE CREATION

JOSÉ (JOE) E. ALMEIDA

Chairman, President and Chief Executive Officer

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.

A CENTURY
of saving and
sustaining lives



**Ethics and
Compliance** in
everything we do



**ONE OF THE MOST
trusted brands**
in healthcare



Culture Levers

Speed

Courage

Simplicity

Collaboration

Diversity, Equity & Inclusion

Unique Opportunity To Create Shareholder Value

Transformation Journey: Baxter's Building Blocks

2016 – 2017:

A Fresh Start

- ✓ Realigned structure to drive innovation
- ✓ Created regional go-to-market strategies
- ✓ Upgraded organizational talent
- ✓ Enhanced quality organization
- ✓ Strengthened financial position

2018 – 2021:

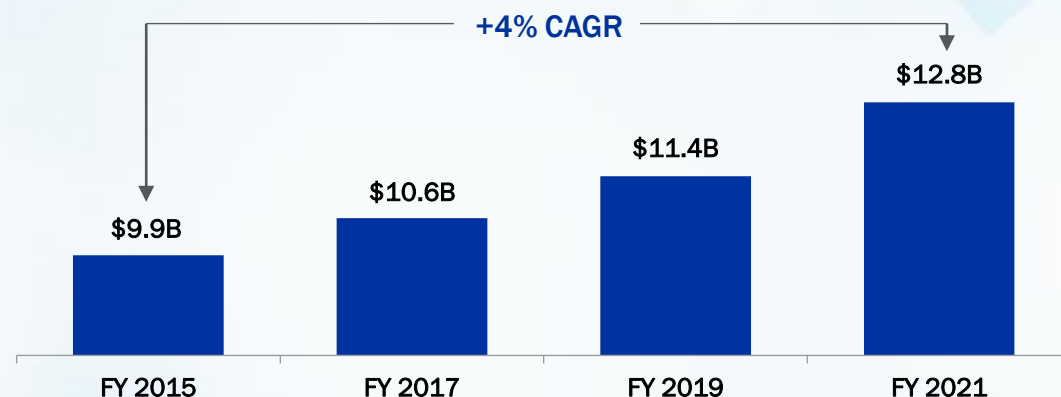
Building the Foundation

- ✓ Refined corporate strategy
- ✓ Bolstered organic innovation and R&D productivity
- ✓ Completed targeted business development initiatives
- ✓ Recognized for commitment to corporate social responsibility and workplace excellence

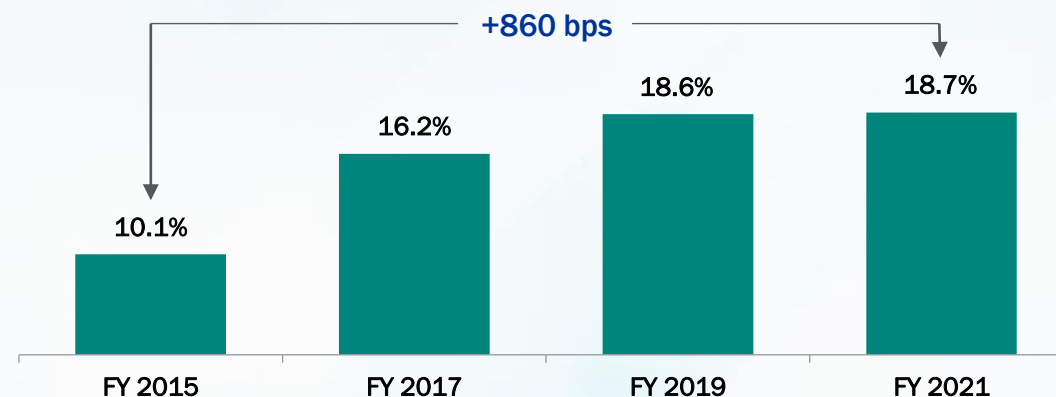
Strengthening Our Business And Extending Our Innovation Across The Care Continuum

Successful Execution Across Key Performance Metrics

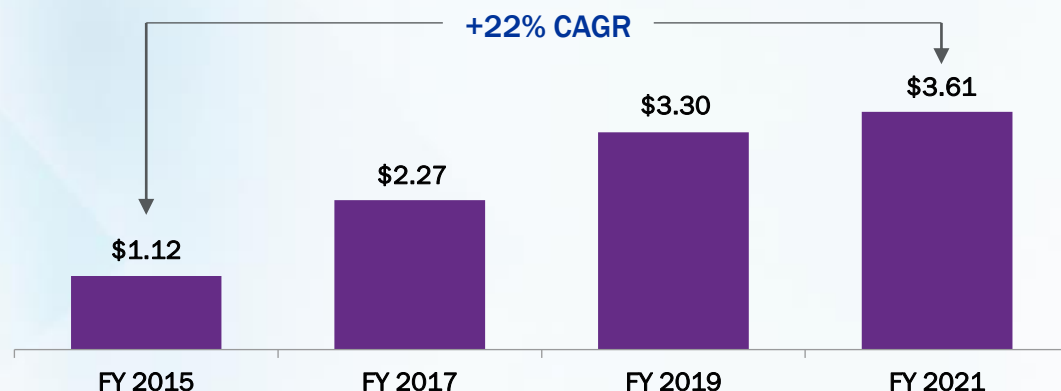
Global Reported Sales



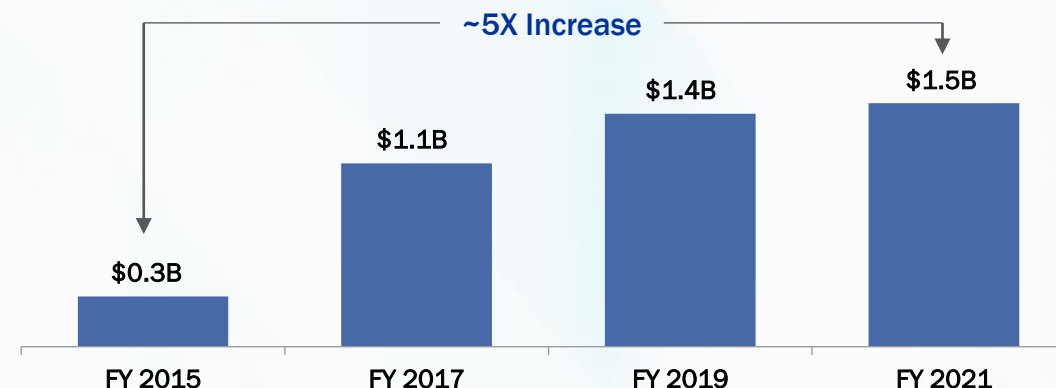
Adjusted Operating Margin



Adjusted Diluted EPS



Free Cash Flow



Strong Financial Performance Driven By Solid Revenue Growth And Disciplined Financial Management

Transformation Journey: Baxter's Building Blocks

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2022+

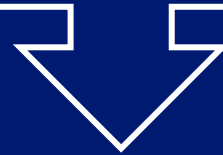
Accelerating Transformation

- ✓ Unlocking innovation across the care continuum through connected care and core therapies
- ✓ Integrating our products and therapies to drive improved outcomes
- ✓ Shifting portfolio to higher growth markets

Strengthening Our Business And Extending Our Innovation Across The Care Continuum

Embarking On Next Phase Of Transformation Journey

—— Mission ——
Save and Sustain Lives



—— Vision ——
**Transform healthcare with customer focus:
improve patient outcomes, enhance workflow
efficiency, enable cost-effective care**

Baxter Pro Forma Profile



350+
Million

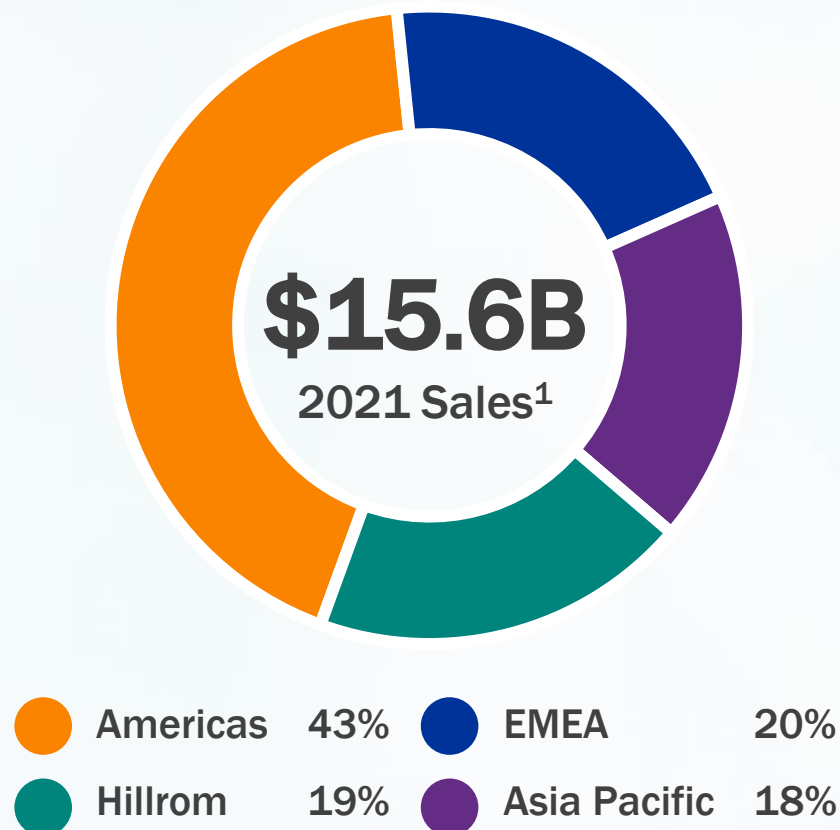
Patients' lives
touched annually



100+

Countries served
by Baxter products




Pro Forma Sales by Segment



Pro Forma Sales by GBU

Global Business Unit	2021 Sales ²
Renal Care	\$3.9B
Pharmaceuticals & BPS	\$3.0B
Medication Delivery	\$2.9B
PSS & GSS	\$1.9B
Front Line Care	\$1.1B
Advanced Surgery	\$1.0B
Clinical Nutrition	\$1.0B
Acute Therapies	\$0.8B

Broadened Presence Across The Care Continuum

	 Hospital Care Emergency, Surgical, Med Surg, Critical Care, Pharmacy, Care Comms	 Home Care Acute & Chronic Home Care	 Alternate Site Care Primary Care, Dialysis Clinic, Ambulatory Surgery Centers, Immediate Care, Outpatient Cardiology, Infusion Clinics
Renal Care	✓	✓	✓
Pharmaceuticals & BPS	✓		✓
Medication Delivery	✓		✓
PSS & GSS	✓	✓	✓
Front Line Care	✓	✓	✓
Advanced Surgery	✓		✓
Clinical Nutrition	✓	✓	
Acute Therapies	✓		

Addressing Global Healthcare Macro Trends

Macro trends impacting global healthcare...

- 1 **Increasing number of patients** with complex chronic disorders
- 2 **Digital health and remote care** accelerated due to COVID-19 pandemic and healthcare staffing shortage
- 3 **Outcomes based reimbursement** as healthcare systems move from fee-for-service to value-based care models
- 4 **Shift from the hospital to lower cost of care settings** (e.g., home care & alternate sites of care)
- 5 **Access to healthcare a societal imperative** as governments focus on improving standards of care
- 6 **Supply chain enhancements** to help improve supply continuity and de-risk against future supply shocks



Compelling Strategy For Value Creation

Innovation



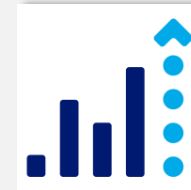
Connected Care
Core Therapies

Market Expansion



Revenue Synergies
Geographic Expansion
Channel Expansion
Market Development

Operational Efficiency



Cost Synergies
Digital Transformation
Quality, Safety, and
Supply Chain
Resilience

Capital Allocation



Portfolio Management
Debt Repayment
Dividends
Share Repurchases

Delivering Enhanced Value For All Stakeholders

Participating In Large Durable End Markets



3% - 4%
Sustainable
market growth

- ☑ Advancing category leadership with innovative healthcare solutions
- ☑ Shifting focus to higher growth categories

Market	2022 Size	2022 - 2025 CAGR
PSS & GSS	~\$13B	6% - 7%
Acute Therapies	~\$1B	6% - 7%
Front Line Care	~\$8B	5% - 6%
Renal Care	~\$14B	~4%
Advanced Surgery	~\$4B	3% - 4%
Pharmaceuticals & BPS	~\$63B	~3%
Medication Delivery	~\$23B	1% - 2%
Clinical Nutrition	~\$4B	1% - 2%
Total Baxter	~\$130B	3% - 4% WAMGR

Innovating With Connected Care And Core Therapies

Sites of Care:



Hospital
Care



Home
Care



Alternate
Site Care

Innovation
Focus:

Connected Care

Devices or software that can connect, communicate, and/or analyze data to help transform healthcare



"Smart" Devices



Communications



Analytics

Core Therapies

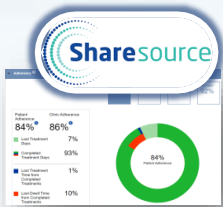
Core therapies and essential products designed to address patient and provider needs



Generating ~\$800M In Anticipated Incremental New Product Revenue By 2025

Driving Growth With Robust Pipeline Of New Product Launches

Renal Care



Sharesource Analytics 1.0



Next Generation Global APD Cycler

Pharmaceuticals & BPS



Doxil / Caelyx



Norepinephrine

Medication Delivery



Novum IQ LVP & Syringe Pump



Novum IQ PCA Pump

PSS & GSS



Next Gen ICU Smart+ Bed Platform



Voalte Mobile Solution

Front Line Care



PanOptic and MacroView Plus



Next Generation Vest

Advanced Surgery



Floseal (with Recothrom)



FLOW COUPLER Monitor

Clinical Nutrition



Digital Pharmacy Module



ExactaMix Pro

Acute Therapies



PrisMax 2



PrismaLung+ ECCO₂R Filter

Executing Market Expansion Through Focused Initiatives



Revenue Synergies

- ✓ Utilizing Baxter geographic footprint to introduce Hillrom portfolio
- ✓ Expanding value-added services



Geographic Expansion

- ✓ Prioritizing targeted geographies
- ✓ Introducing products into attractive markets



Channel Expansion

- ✓ Broadening access to new customers
- ✓ Furthering expansion with connected devices

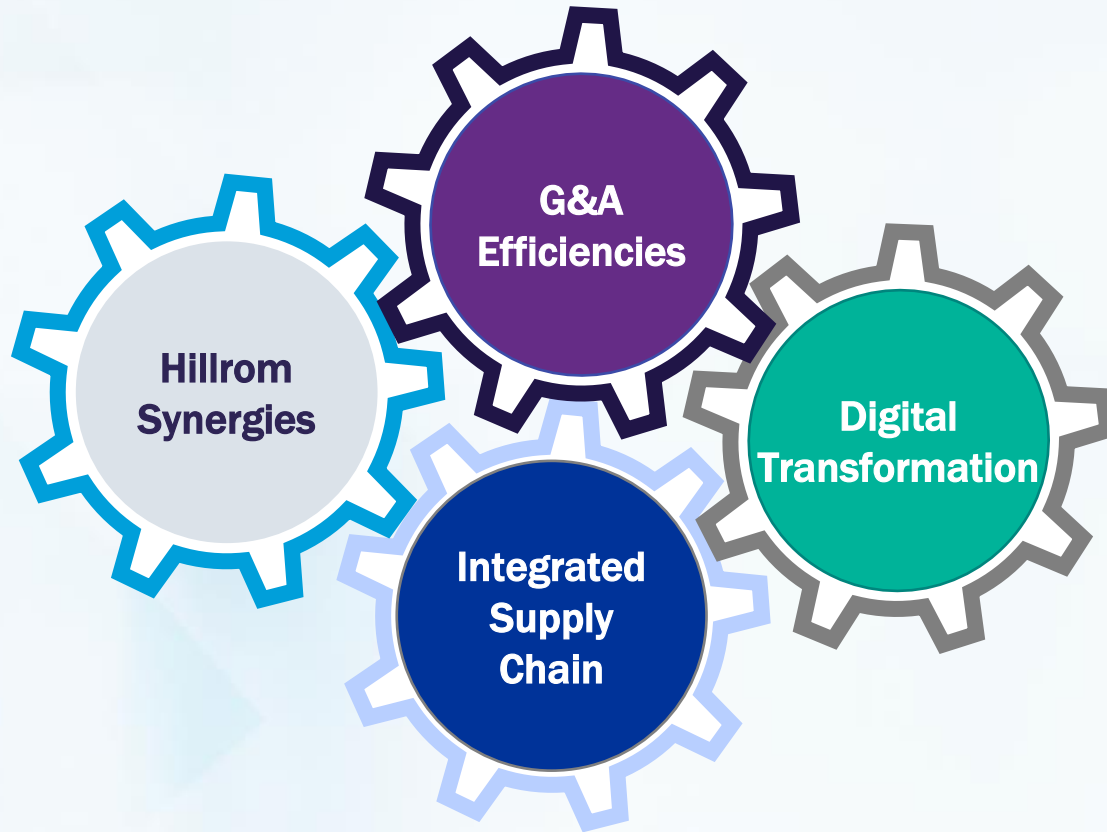


Market Development

- ✓ Increasing adoption of underpenetrated therapies
- ✓ Providing education and advocacy to improve access

Contributing ~\$300M Incremental Sales Through Market Expansion Efforts By 2025

Realizing Efficiencies Through Operational Excellence



**Increasing Efficiencies Through
Automation and Digitization**

Transforming Integrated Supply Chain

Delivering On Anticipated Hillrom Cost Synergies

Delivering ~\$1B Of Anticipated Gross Savings By 2025

Executing Disciplined Capital Allocation Strategy

Portfolio
Management



Debt
Repayment



Dividends



Share
Repurchases



**Balancing Business Investments To Accelerate Growth
And The Return Of Capital To Shareholders**

Optimizing Baxter's Profile With Strategic Portfolio Management

Enterprise-Wide M&A Themes

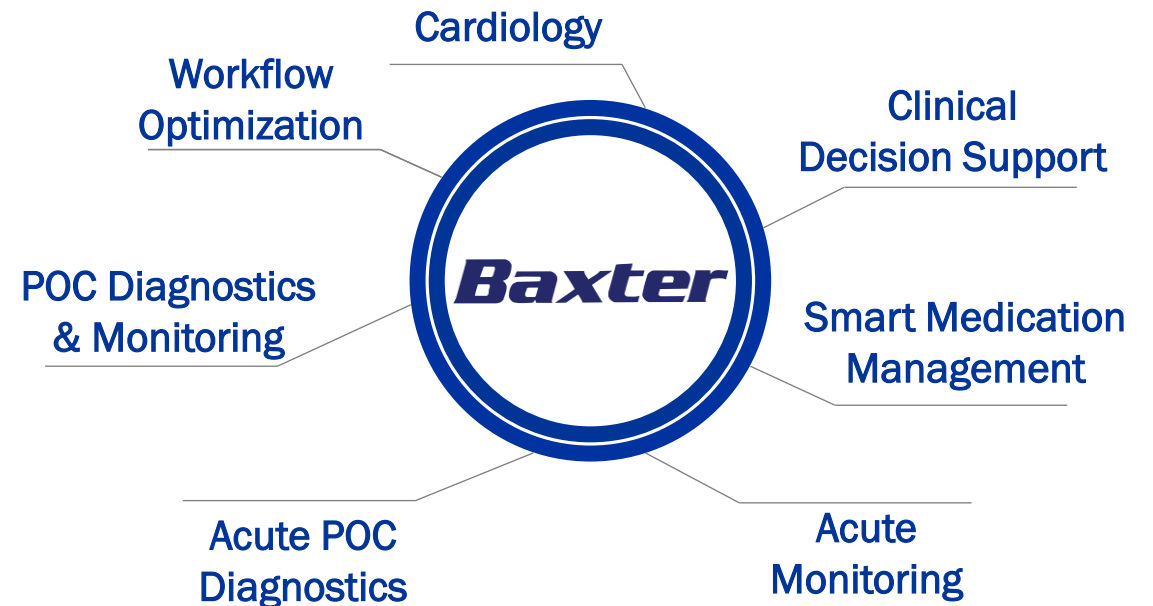
Hospital Automation & Connectivity

Hospital & Remote Monitoring

Point-of-Care (POC) & Companion Diagnostics

Home & Alternate Site Therapies

- Prioritizing investments in key adjacencies
- Supplementing the core portfolio with strategic bolt-ons
- Investing in transformative technology through Baxter Ventures portfolio



2030 Corporate Responsibility Commitment And Goals



- ▶ Achieve carbon neutrality for direct operations by 2040
- ▶ Reduce greenhouse gas emissions
- ▶ Implement strategic water and waste plans
- ▶ Integrate sustainable procurement strategy



- ▶ Bring home dialysis to more underserved patients
- ▶ Improve product process capabilities



- ▶ Invest \$275M in underserved communities
- ▶ Achieve top workplace safety performance
- ▶ Increase diverse representation in leadership roles

Recognized Top Employer & Outstanding Corporate Citizen

Representative Highlights



Dow Jones Sustainability Indices

Longtime component of DJSI Global and DJSI U.S. Indices



Newsweek: America's 400 Most Responsible Companies

Number 8 in 2022 rankings



Corporate Equality Index

100% score on Human Rights Campaign LGBTQ+ inclusion index

3BL Media: 100 Best Corporate Citizens

Recognized for ESG leadership

Disability Equality Index

Best Place to Work list

Seramount Inclusion Index

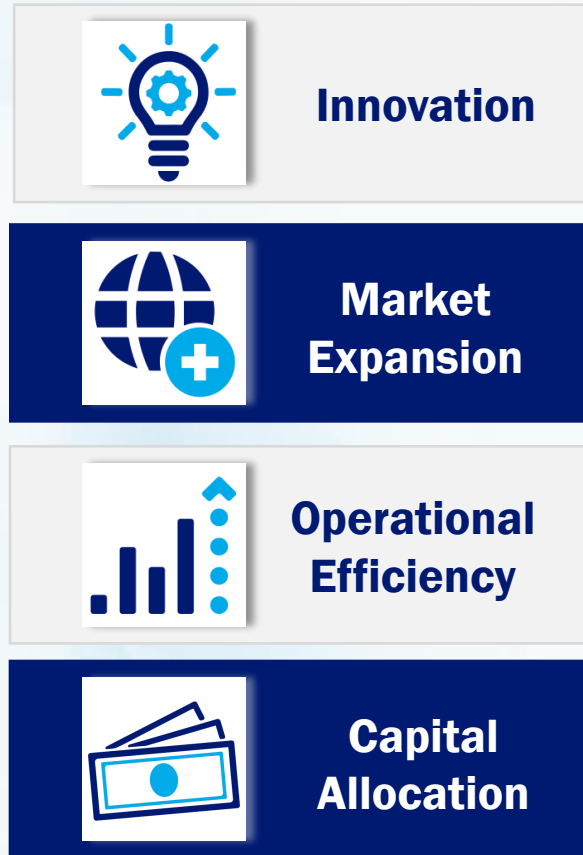
Recognized as a leading organization for DEI best practices

For more information on Baxter's efforts to benefit our communities, employees, and stakeholders, refer to our **2020 Corporate Responsibility Report** and **Sustainability Accounting Standards Board Index**.

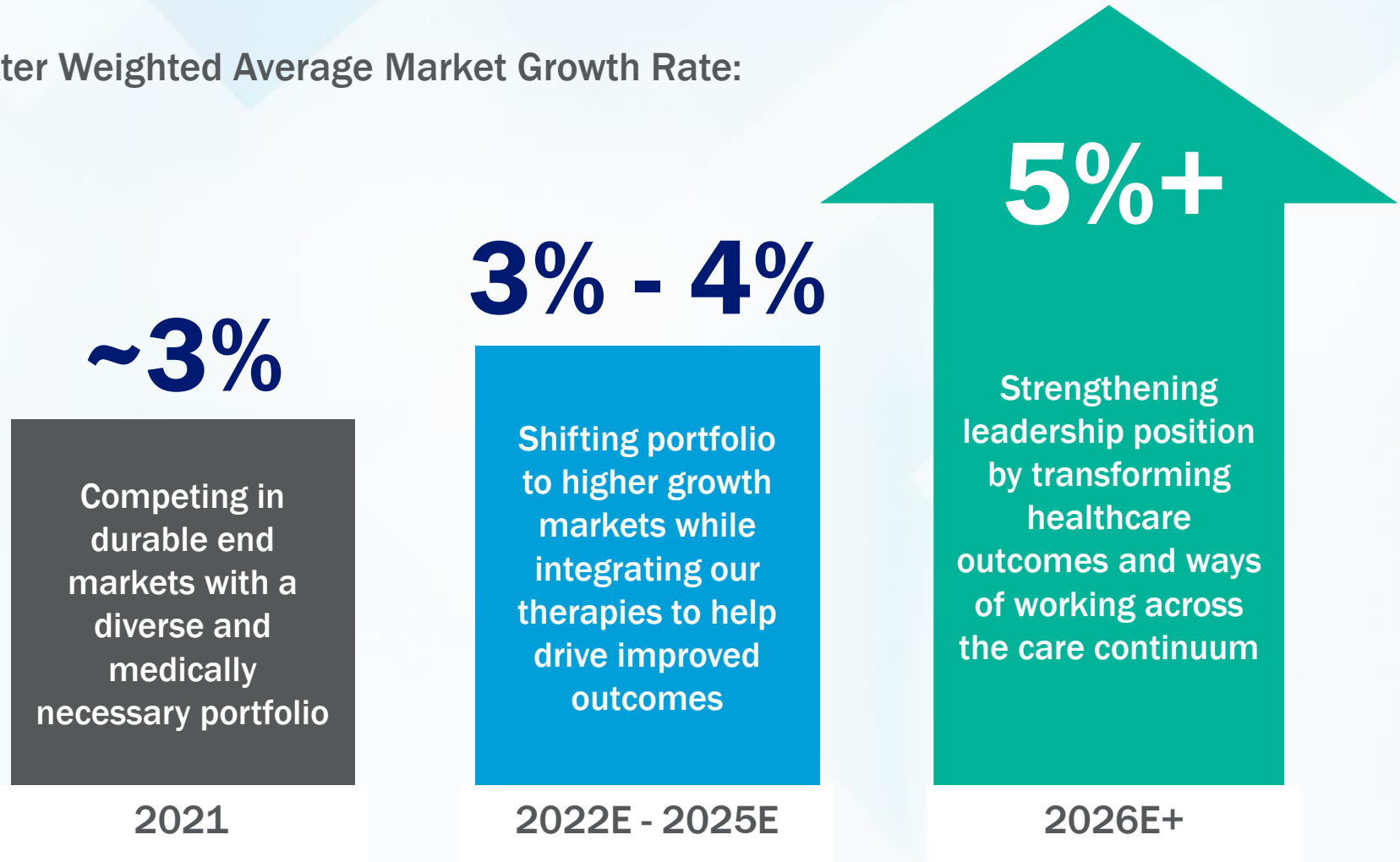


Creating Long-Term Value With Our Strategy

Value Creation Strategy:



Baxter Weighted Average Market Growth Rate:



Executing On Value Creation Strategy To Shift Into Higher Growth End Markets And Improve Profitability

Maintaining Focus On Top Quartile Goals



Continuing Momentum In 2022 And Beyond

- ▶ Advancing rapid, successful integration of Hillrom
- ▶ Driving strong cadence of new product launches, promoting Connected Care and Core Therapy innovations
- ▶ Executing upon Market Expansion opportunities to broaden the reach of our portfolio and deepen therapy adoption
- ▶ Delivering benefits of ongoing Operational Efficiency initiatives
- ▶ Enacting disciplined Capital Allocation strategy to rotate into higher growth end markets consistent with our vision and to improve profitability

**Driving The Mission And Vision Of Baxter Forward
To Create Value For All Stakeholders**

Baxter's Executive Leadership Speakers



Introduction
Clare Trachtman
VP, Investor Relations



CEO Introduction
José (Joe) E. Almeida
Chairman, President and
Chief Executive Officer



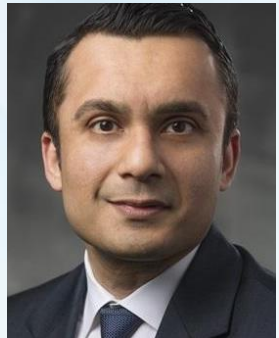
Finance Update
James (Jay) Saccaro
Executive VP and Chief
Financial Officer



Integrated Supply Chain
James (Jim) Borzi
Senior VP, Chief Supply
Chain Officer



**One Baxter Strategy and
Advanced Surgery**
Giuseppe Accogli
Executive VP and
Chief Operating Officer



Front Line Care
Reaz Rasul
President, Front Line Care



**Patient Support Systems &
Global Surgical Solutions**
Amy Dodrill
President, Patient Support Systems
& Global Surgical Solutions



Pharmaceuticals & BPS
Jorge Vasseur
President, Pharmaceuticals
& BPS (Interim)



Renal Care
Lee Ann Schuette
President, Renal Care



**Acute Therapies, Clinical Nutrition &
Medication Delivery**
Heather Knight
President, Acute Therapies, Clinical
Nutrition, Medication Delivery, Latin
America and Canada



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