First-Quarter 2018 Earnings

Baxter International Inc.

April 26, 2018

Safe Harbor Statement

This presentation includes forward-looking statements concerning Baxter's financial results, business development activities, capital structure, cost savings initiatives, R&D pipeline, including results of clinical trials and planned product launches, and financial outlook for full year and second quarter 2018. The 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: demand for and market acceptance of risks for new and existing products; product development risks; product quality or patient safety concerns; continuity, availability and pricing of acceptable raw materials and component supply; 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 or otherwise); breaches or failures of the company's information technology systems, including by cyberattack; future actions of regulatory bodies and other governmental authorities, including FDA, the Department of Justice, the New York Attorney General and foreign regulatory agencies; 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; global, trade and tax policies; accurate identification of and execution on business development and R&D opportunities and realization of anticipated benefits (including the recent acquisition of Claris Injectables and two surgical products from Mallinckrodt plc); the ability to achieve the intended results associated with the separation of the biopharmaceutical and medical products businesses; the ability to enforce owned or in-licensed patents or the patents of third parties preventing or restricting manufacture, sale or use of affected products or technology; the impact of global economic conditions; fluctuations in foreign exchange and interest rates; any change in law concerning the taxation of income (including current or future tax reform), including income earned outside the United States; actions taken by tax authorities in connection with ongoing tax audits; loss of key employees or inability to identify and recruit new employees; the outcome of pending or future litigation; the adequacy of the company's cash flows from operations to meet its ongoing cash obligations and fund its investment program; 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.

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IV Solutions R&D
Alliance Park, Belgium

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Quality and patient safety

Best place to work

Industry-leading performance

Delivering top-quartile performance

Executing A Disciplined Strategy To Deliver Top-Quartile Shareholder Returns

Focused, market-leading product portfolio

Leaner, more efficient operating model

Strengthened profitability and returns

Strong capital structure

Delivering On Our Strategy
Business Highlights

Building Momentum With Strong Operational Performance

- Delivered strong first-quarter 2018 sales and earnings performance and raised full-year 2018 outlook
- Continuing momentum with new product launches, effective portfolio management and disciplined expense management
- Accelerating growth with strategic acquisitions and partnerships

Capitalizing On New Product Launches And Geographic Expansions

- Reallocating investment to higher-margin, faster-growing businesses
- Executing on a robust pipeline to provide meaningful innovations for patients and providers
- Enhanced capabilities along with increasing R&D efficiency enable accelerating launch cadence

Executing Disciplined Focus On Cost Management

- Implementing optimized organizational structure, transforming cost structure and eliminating waste
- Establishing global centers of excellence to drive efficiencies in functional areas
- Simplifying portfolio and optimizing manufacturing footprint

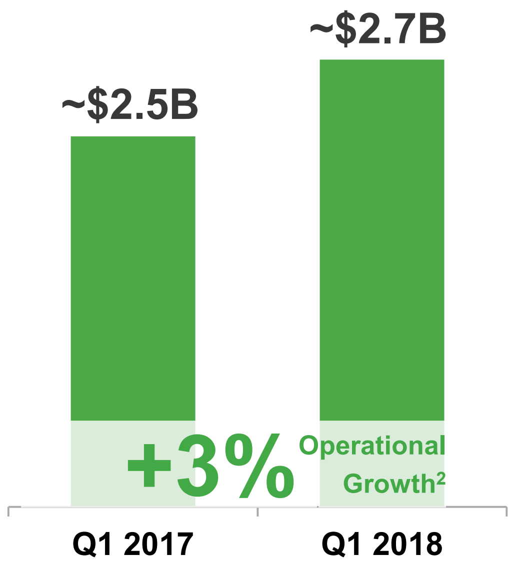
Significantly Enhancing Balance Sheet Flexibility To Deliver Value

- Generating improved cash flows through operational improvement and effective working capital management
- Repurchased $522 million or 7.7 million shares in Q1 2018
- Maintaining financial optionality with current net debt[1] to EBITDA[2] ratio near zero

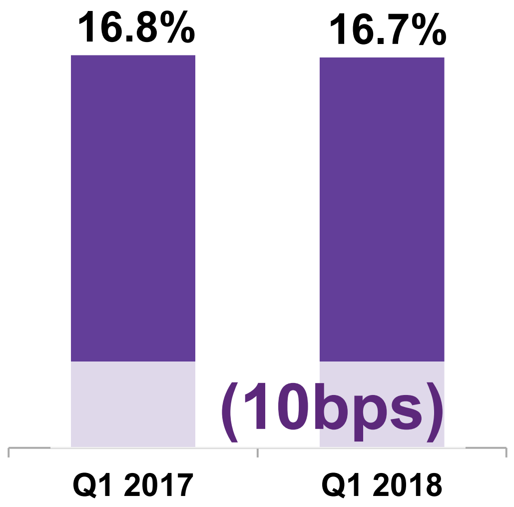
[1]Long-term debt and lease obligations and current maturities of long-term debt and lease obligations less cash and equivalents. [2]Earnings before interest, tax, depreciation and amortization expense.

Continuing Momentum Of Key Metrics First-Quarter 2018 Financial Snapshot[1]

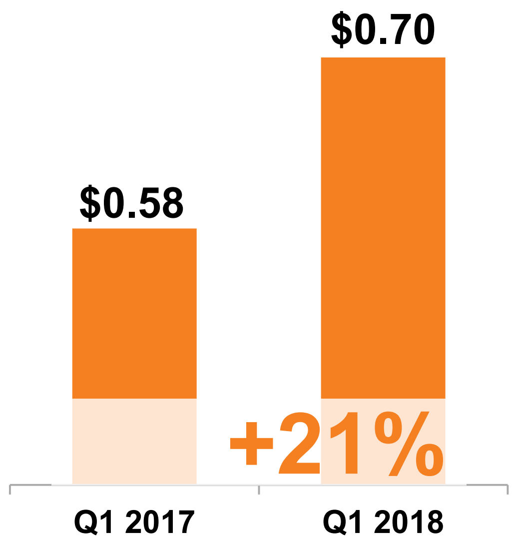
Global Reported Revenues



Adjusted Operating Margin



Adjusted Diluted EPS



[1]See www.baxter.com for information regarding non-GAAP financial metrics used in this presentation, including constant currency and operational sales, adjusted gross margin, adjusted operating margin, adjusted diluted EPS, free cash flow, adjusted SG&A expense, adjusted research and development expense. [2]Q1 2018 operational sales growth excludes the impact of foreign currency of approximately 4%, Claris of approximately 1%, and Cyclo competition of approximately 0%; GAAP sales growth for the period was approximately 8% compared to Q1 2017.

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First-Quarter 2018 Sales And Adjusted Earnings[1]

Metric	Q1 2018 Guidance	Q1 2018 Actual
Operational Sales Growth	0% - 1%	+3%
Reported Sales Growth	5% - 6%	+8%
Adjusted Diluted EPS *Growth vs. Prior-Year Period*	$0.60 - $0.62 *3% - 7%*	$0.70 *+21%*

Delivering Accelerated Top And Bottom-Line Performance

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[1]See www.baxter.com for information regarding non-GAAP financial metrics used in this presentation, including constant currency and operational sales, adjusted gross margin, adjusted operating margin, adjusted diluted EPS, free cash flow, adjusted SG&A expense, adjusted research and development expense.

Advancing Our New Product Portfolio
Q1 2018 R&D Milestones

RECOTHROM®
Thrombin topical (Recombinant)
PREVELEAK®
Surgical sealant

- Expanded surgical portfolio through the acquisition of RECOTHROM and PREVELEAK[1]
- Received FDA approval of Bivalirudin in a premixed, ready-to-use format
- Launched KAGUYA APD system with SHARESOURCE in Japan
- Launched Arisure Closed System Transfer device to provide safer medication delivery
- Launched TISSEEL Prima in Europe

[1]Completed on March 19, 2018.

SIGMA SPECTRUM Manufacturing
Medina, New York

Financial Results

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First-Quarter 2018 Sales By GBU[1]

$ In Millions	Q1 2018 Revenue			Total Growth		
	U.S.	International	Total	Reported	Constant	Operational
Renal Care	$196	$672	$868	+10%	+4%	+4%
Medication Delivery	$436	$240	$676	+2%	+0%	+0%
Pharmaceuticals	$243	$253	$496	+16%	+13%	+6%
Nutrition	$83	$140	$223	+5%	+0%	+0%
Advanced Surgery	$99	$83	$182	+8%	+4%	+4%
Acute Therapies	$46	$83	$129	+22%	+14%	+14%
Other	$44	$59	$103	(6%)	(12%)	(12%)
Total Baxter	**$1,147**	**$1,530**	**$2,677**	**+8%**	**+4%**	**+3%**

[1]See www.baxter.com for information regarding non-GAAP financial metrics used in this presentation, including constant currency and operational sales, adjusted gross margin, adjusted operating margin, adjusted diluted EPS, free cash flow, adjusted SG&A expense, adjusted research and development expense.

First-Quarter 2018 Sales By Operating Segment[1]

$ In Millions	Q1 2018 Revenue	Total Growth	
	Reported	Reported	Constant
Americas (North and South America)	$1,442	+5%	+4%
EMEA (Europe, Middle East and Africa)	$724	+15%	+3%
APAC (Asia Pacific)	$511	+8%	+3%
Total Baxter	**$2,677**	**+8%**	**+4%**

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First-Quarter 2018 Adjusted Financial Results[1]

Metric	Q1 2018	Q1 2017	Change
Adjusted Gross Margin	43.8%	44.4%	(60 bps)
Adjusted SG&A Expense[2] (% of Sales)	21.9%	22.4%	(50 bps)
Adjusted R&D Expense (% of Sales)	5.1%	5.2%	(10 bps)
Adjusted Operating Margin[3]	16.7%	16.8%	(10 bps)
Adjusted Diluted EPS	$0.70	$0.58	+21%

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[1]See www.baxter.com for information regarding non-GAAP financial metrics used in this presentation, including constant currency and operational sales, adjusted gross margin, adjusted operating margin, adjusted diluted EPS, free cash flow, adjusted SG&A expense, adjusted research and development expense. [2]Adjusted marketing and administrative expense. [3]Totals may not foot due to rounding.

Driving Operational Excellence Across The Company[1]

Adjusted Operating Margin[2]

Q1 2018 vs. Q1 2017

Quarterly Highlights

- Strong operational expansion more than offset by Q1 2018 headwinds including foreign exchange, TSA[3] income, and hurricane impacts
- Business transformation initiatives and focus on optimized cost structure drive SG&A leverage
- Reallocating and accelerating R&D investment in high priority, core growth businesses

Continue To Expect Full-Year 2018 Adjusted Operating Margin Expansion Of 80 – 100 bps Over Full-Year 2017[4]

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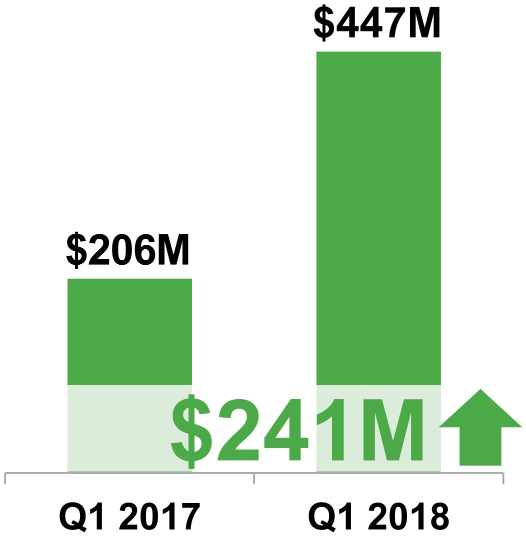
Disciplined Financial Execution Drives Significant Improvements In Cash Flow Generation[1]

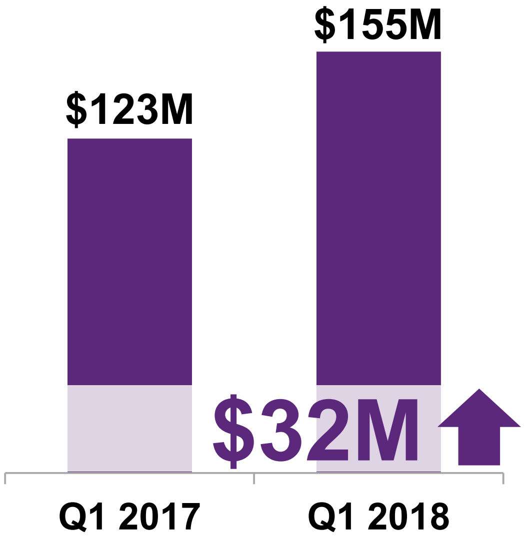
Operating Cash Flow

Improved working capital and operational performance



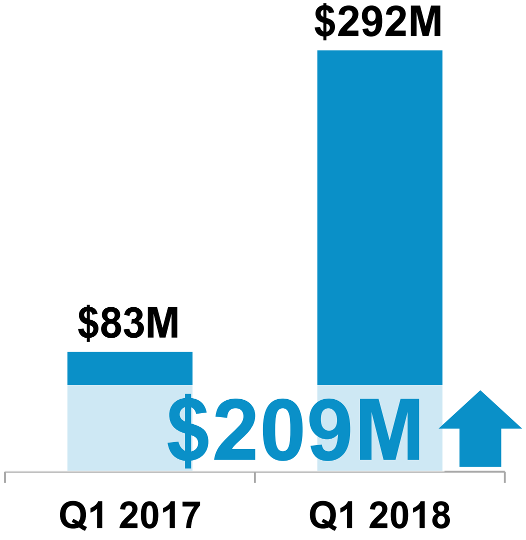
Capital Expenditures

Investment prioritization and disciplined spending control



Free Cash Flow[2]

Enhanced flexibility allows strategic capital deployment



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Strategically Deploying Capital To Fuel Growth And Create Value

Reinvestment in Business

Dividends

Share Repurchases

M&A

- Net debt to EBITDA ratio near zero[1]; targeting steady state of ~2.0x
- Targeting ~35% dividend payout ratio of adjusted net income over the long term
- Repurchased $522 million or approximately 7.7 million shares in Q1 2018
- Executing strategic acquisitions and collaborations

Optimizing Shareholder Value With Enhanced Flexibility To Reinvest In Business And Execute On M&A Opportunities

[1]As of March 31, 2018.

2018 Outlook

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Full-Year 2018 Financial Guidance[1]

Metric	FY 2018 Current	FY 2018 Prior
Sales Growth [Constant Currency]	~5%	~4%
Sales Growth [Reported]	7% - 8%	6% - 7%
Adjusted Operating Margin	17.1% - 17.3%	16.8% - 17.0%
Adjusted Diluted EPS *Growth vs. 2017*	$2.85 - $2.93 *15% - 18%*	$2.72 - $2.80 *8% - 13%*
Operating Cash Flow	$2.2B+	~$2.1B
Free Cash Flow	$1.5B+	~$1.4B

FY 2018 Sales Impacts:

- ↑ **Foreign exchange [250+ bps]**
- ↓ **Cyclo competition [<100 bps]**
- ↑ **Acquisitions[2] [~100 bps]**

Full-Year Sales Guidance:

7% - 8% Reported Growth → **4% - 5%** Operational Growth

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Full-Year 2018 Sales Guidance[1]

Sales Growth	FY 2018 Constant Currency	FY 2018 Operational
Renal Care	3% - 4%	3% - 4%
Medication Delivery	7% - 8%	7% - 8%
Pharmaceuticals	1% - 2%	~1%
Nutrition	4% - 5%	4% - 5%
Advanced Surgery	8% - 9%	3% - 4%
Acute Therapies	9% - 10%	9% - 10%
Other	LSD[2] Decline	LSD[2] Decline
Total Baxter	~5%	4% - 5%

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[1]See www.baxter.com for information regarding non-GAAP financial metrics used in this presentation, including constant currency and operational sales, adjusted gross margin, adjusted operating margin, adjusted diluted EPS, free cash flow, adjusted SG&A expense, adjusted research and development expense. [2]Low-single-digit.

Second-Quarter 2018 Financial Guidance[1]

Metric	Q2 2018
Sales Growth [Constant Currency]	~5%
Sales Growth [Reported]	~9%
Adjusted Diluted EPS *Growth vs. Q1 2017*	$0.69 - $0.71 *10% - 13%*

Q2 2018 Sales Impacts:

- Foreign exchange [~400 bps]
- Cyclo competition [<50 bps]
- Acquisitions[2] [~200 bps]

Q2 2018 Sales Guidance:

~9% Reported Growth → 3% - 4% Operational Growth

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Continuing Strong Momentum In 2018

- **Increasing innovation** to drive **accelerated revenue growth**
- Maintaining **strong cadence of product launches** and geographic expansions
- Realizing ongoing benefits of **cost reduction initiatives and organization optimization**
- **Strategically deploying capital** to enhance value and improve profitability
- Updating long term strategy and goals during **May 21, 2018 investor conference**

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