



Baxter

**CLINICAL
NUTRITION**

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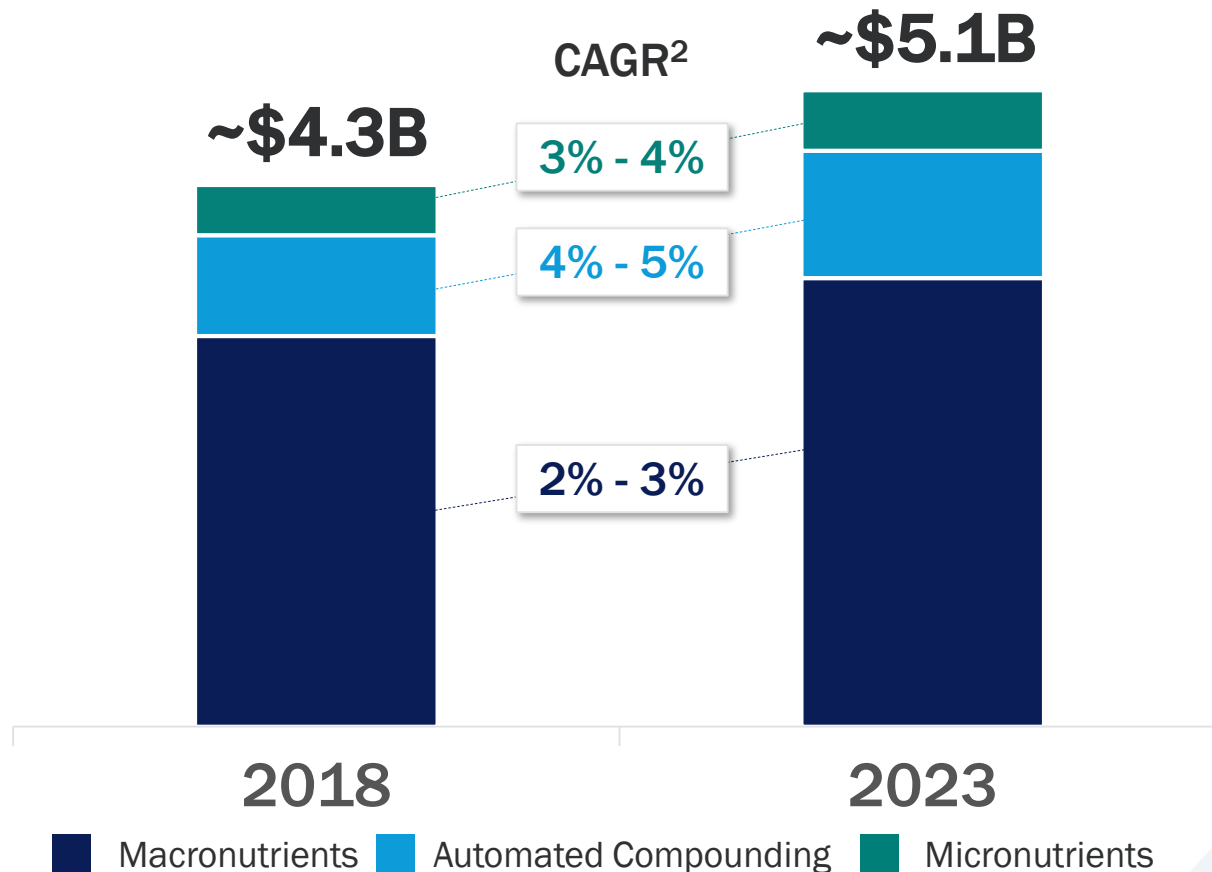
May 21, 2018

Safe Harbor Statement

This presentation includes forward-looking statements concerning Baxter's financial results, R&D pipeline, including planned product launches (many of which are subject to regulatory approval) and results of clinical trials, business development activities, capital structure, cost savings initiatives, Baxter's long range plan (which includes financial outlook for 2018, 2020 and 2023) and other growth strategies. 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 Baxter'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 acquisitions of Claris Injectables and two surgical products from Mallinckrodt plc); 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 Baxter'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.

Parenteral Nutrition (PN) Market Overview¹

Global Market Size



Micronutrients

Vitamins and Trace Elements

#1

Baxter
Position

Automated Compounding

Automixers, software, disposables and compounding services

#1

Baxter
Position

Macronutrients

Lipids, Amino Acids, and ready-to-use Multi-Chambered Bags (MCBs)

#2

Baxter
Position

Parenteral Nutrition Market Is Expected To Grow 3% - 4% Through 2023²

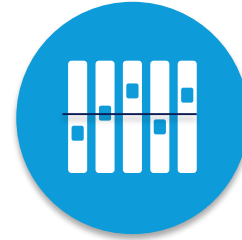
Parenteral Nutrition Market Dynamics



~70%

Critically Ill Hospitalized Patients Suffer From Malnutrition¹

80% go undiagnosed



40%

Receive Suboptimal Nutrition²

Many diagnosed patients are “underfed”



15 Million

Pre-term Infants Born Per Year³

35% require Parenteral Nutrition



1.8 Million

Cancer Patients Die From Malnutrition Annually⁴

High prevalence in cancer patients

Potential To Optimize Therapy For Improved Clinical Outcomes

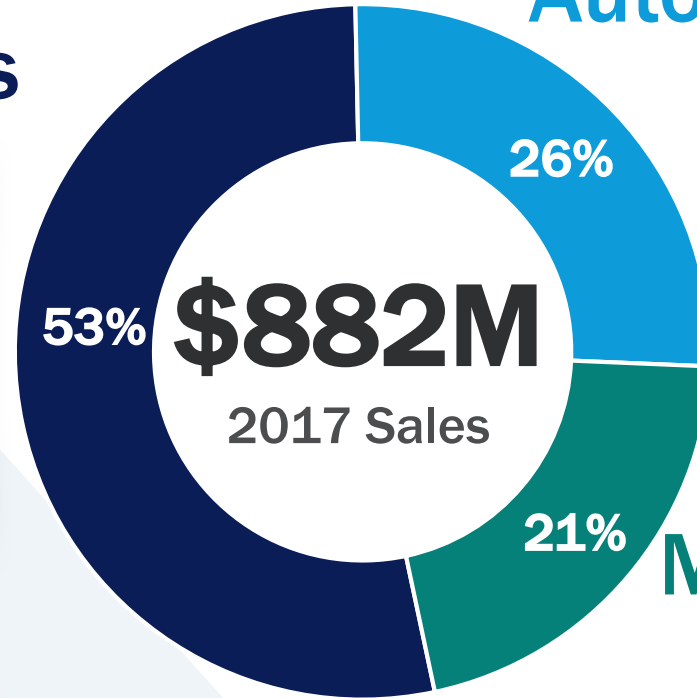
Clinical Nutrition Portfolio

Macronutrients

Ready-to-use MCBs:
OLIMEL, NUMETA



Amino Acids & Lipids:
CLINOSOL, CLINOLEIC



Automated Compounding



EXACTAMIX

Micronutrients

CERNEVIT
INFUVITE



Broad Nutritional Portfolio To Meet The Unique Needs Of Patients

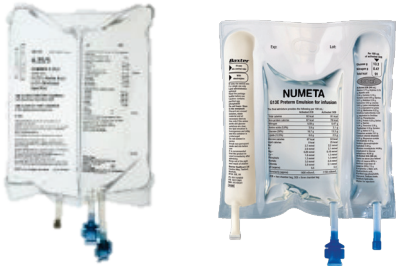
Strategic Growth Drivers

Portfolio Innovation

~\$120M

2023 New Product Revenue¹

Accelerate launch cadence and expand products globally



Market Development

Generate clinical evidence to show broader benefits of PN



Drive therapy adoption through peer-to-peer educational programs



Enter Adjacencies

Targeted products for pre-term infants

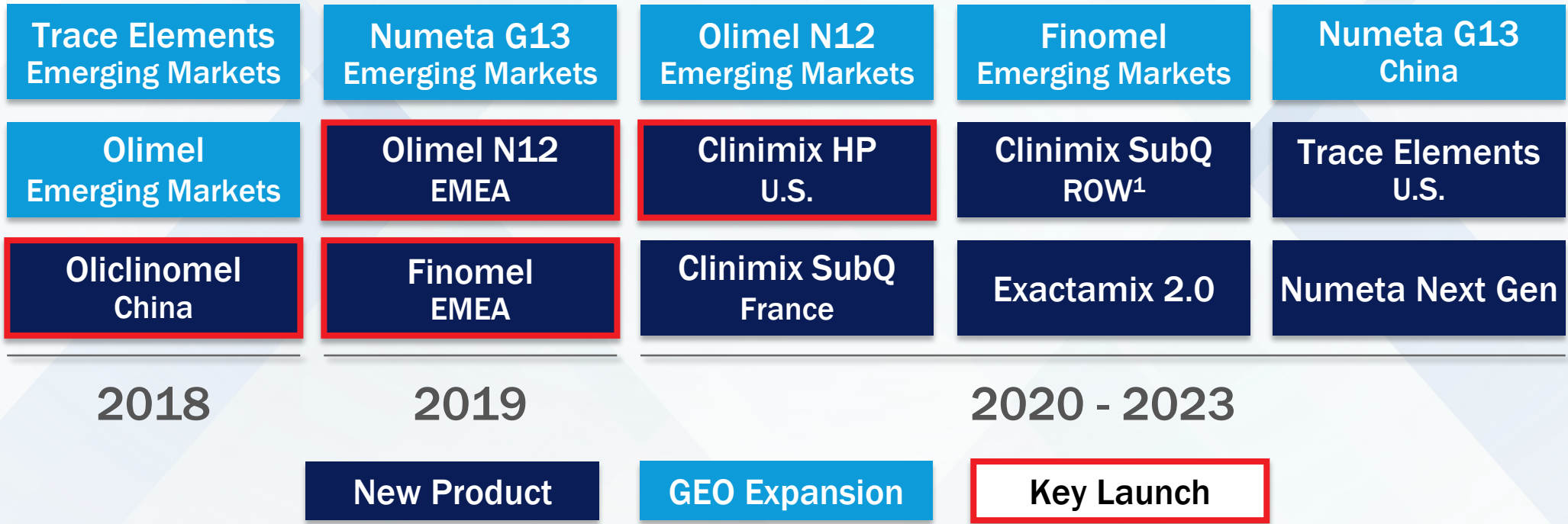
Increase adoption of nutrition in Oncology

Introduce subcutaneous administration

Innovation, Increased Adoption And Expansion Of Parenteral Nutrition Drive Above-Market Growth Of 4% - 5% Through 2023²

¹All references to “new products” in this presentation include new product launches, line extensions and geographic expansions, unless otherwise noted. ²All references in this presentation to future financial expectations assume commercial execution and regulatory approvals, as applicable, consistent with Baxter’s plans. CAGRs for years 2018 -2023 assume constant foreign exchange rates.

Clinical Nutrition Pipeline



Delivering ~\$120 Million Of New Product Sales In 2023

Key Launches



Higher protein content is associated with clinically significant improvements in patient outcomes

Omega-3 fatty acids from fish oil have gained acceptance as a lipid source

Innovation In Ready-To-Use MCB Portfolio Leads To Accelerated Growth

Olimel N12

Highest protein & lowest glucose content of any 3CB¹ on the market



Clinimix HP

60% more protein than any other 2CB² on the market



Finomel

Unique fish-blend 3CB¹ complements our olive-blend portfolio



Market Development



Clinical Evidence Generation

\$10M investment to support
therapy adoption & differentiation¹



Peer-to-Peer Educational Programs

Sustained investment reaching
7,000 clinicians by 2023

- ✓ Optimal feeding through supplemental PN leads to faster recovery and lowers cost of care
- ✓ Higher protein in PN provides more energy & reduces ventilator days in the ICU by as much as 2 days

- ✓ 3X increase in understanding of PN benefits after program
- ✓ 88% more likely to prescribe PN therapy as result of program participation

Clinical Evidence And Education Drive Sustainable Base Business Growth

Enter Adjacencies



Clinical Need

Baxter Solution



Neonatal Nutrition

Drive standardized, ready-to-use PN as first line therapy for pre-term infants

Numeta G13



Nutrition In Oncology

Timely initiation of PN in oncology improves functional and clinical outcomes, and reduces cost of cancer care

Raise awareness of benefits of **Olimel MCB** in Oncology patients

\$1.5B+
Market Opportunity



Subcutaneous Administration

Hospitalized elderly patients with poor venous access can achieve optimal nutrition with subcutaneous administration

Clinimix SubQ



Optimal Nutrition For Adjacent Patient Populations Increases Growth Opportunity

Transformative Innovation

Novel Formulations

Explore new formulations that deliver **superior clinical outcomes**:
Lipid & Amino Acid blends that increase recovery & improve growth

Clinical Nutrition Innovation Roadmap

Improved Prep and Delivery

Advance technology to deliver PN through **unique delivery platforms** and **administration paths**

Advancements to Enhance Care

Build a digital nutrition ecosystem to support **diagnosis** and **treatment** of malnutrition

Pursuing Therapeutic Improvements With Clinical Superiority To Transform Care

Clinical Nutrition Summary

Innovating in ready-to-use MCBs **to deliver above-market growth of 4% - 5% through 2023¹**

Investing in **evidence generation and education** to drive therapy adoption and sustained base business growth

Delivering **optimal nutrition to adjacent patient** populations to expand growth opportunities

Pursuing **therapeutic improvements with clinical superiority** to transform patient care

References

Market Dynamics (Slide 4)

- 1) Norman K, et al. Clin Nutr 2008;27:5-15. 2011.
- 2) Barker LA, National Institute of Health
- 3) Althabe F, Howson CP, Kinney M, Lawn J, World Health Organization 2012
- 4) Silva FR. et al. Nutrition Journal . 2015

Key Launches (Slide 8)

- 1) Represents Three-Chamber Bag
- 2) Represents Two-Chamber Bag

The background features a complex geometric pattern of overlapping triangles in various shades of blue, from light sky blue to dark navy blue. The word "Baxter" is centered in a large, white, italicized sans-serif font.

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2018 Investor Conference