PERFORMANCE AND TRAJECTORY

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Chairman, President and CEO

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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.
85+ year heritage of saving and sustaining lives

One of the most trusted brands in medical products

Strong global business with great people

Established market leadership across portfolio

Unique opportunity to create shareholder value
Baxter Profile

Global Revenue\(^1\)

- **$10.6B**
  - 2017 Sales

Revenue by Region\(^1\)

- Americas: 54%
- EMEA: 26%
- Asia Pacific: 20%

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\(^1\)Sales and related figures represent FY 2017
Baxter Profile

Market-leading positions

Broad reach and channel strength

Revenue by Business\(^1\)

- **RENAL CARE**: 33%
- **MEDICATION DELIVERY**: 26%
- **PHARMACEUTICALS**: 18%
- **CLINICAL NUTRITION**: 8%
- **ADVANCED SURGERY**: 7%
- **ACUTE THERAPIES**: 4%

\(^1\)Sales and related figures represent FY 2017; Other sales represent ~4%.
Baxter 2020: Focused On Sustained Top Quartile Performance

- Quality and patient safety
- Best place to work
- Industry leading performance

Driving Improved Performance To Deliver Optimal Results For Patients, Customers, Shareholders And Employees
Driving Results: Quality and Patient Safety

- Investing in quality systems and processes
- Improving key quality metrics
- Three warning letters closed
- Strengthening relationships with global regulators
Driving Results: Best Place to Work

Recognized as an outstanding employer

A noted leader in corporate social responsibility
Driving Results:
Industry Leading Performance

STRONG PROGRESS ACROSS THREE CRITICAL DRIVERS

- Portfolio and Innovation Management
- Operational Excellence
- Capital Allocation
Continuing Momentum Across Key Performance Metrics

<table>
<thead>
<tr>
<th>Global Reported Revenues</th>
<th>Adjusted Operating Margin</th>
<th>Adjusted Diluted EPS</th>
<th>Free Cash Flow</th>
</tr>
</thead>
<tbody>
<tr>
<td>FY 2015: $10.0B</td>
<td>FY 2015: 10.3%</td>
<td>FY 2015: $1.38</td>
<td>FY 2015: $342M</td>
</tr>
</tbody>
</table>

- Annual Op. Growth: ~5% (FY 2015), +600 bps (FY 2016), +80% (FY 2017)
- Adjusted Operating Margin: 10.3% (FY 2015), 13.8% (FY 2016), 16.3% (FY 2017)
- Adjusted Diluted EPS: $1.38 (FY 2015), $1.96 (FY 2016), $2.48 (FY 2017)

1. See www.baxter.com for information regarding non-GAAP financial metrics used in this presentation, including operational sales, adjusted operating margin, adjusted diluted EPS, and free cash flow.
2. Operational sales growth excludes the impact of foreign currency, Claris, Cyclo competition, and strategic product exits.
3. Operating cash flow less capital expenditures.
Strategically Deploying Capital To Fuel Growth And Create Value

- Reinvestment in Business
- Dividends
- Share Repurchases
- Strategic M&A

Increased dividend by 65%¹
Repurchased ~35 million Baxter shares¹
Executed strategic acquisitions and collaborations
  - Claris Injectables
  - Recoithrom & Preveleak
  - Woundcare Technologies

¹Represents the increase in cash dividend (since July 29, 2015) and shares repurchased since the Baxalta spin-off through Q1 2018.
Delivering Significant Value For Investors

Total Shareholder Return (12/31/15 – 05/18/18)

Indexed Return

BAX | S&P | S&P Healthcare | Dow | IHI

~90% | ~63% | ~51% | ~39% | ~20%
Market Trends Snapshot

More Patients, More Complexity

Outcomes-Based, Relevant Innovation

Optimizing Delivery of Care

Data Analytics Driving Total Patient Management

Markets Stabilizing Globally; Well-Positioned To Capitalize On Trends
### Key Market Overview

<table>
<thead>
<tr>
<th>Market</th>
<th>Size(^1)</th>
<th>Growth(^2)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Renal Care</td>
<td>~$14B</td>
<td>4% - 5%</td>
</tr>
<tr>
<td>Acute Therapies</td>
<td>~$1B</td>
<td>7% - 8%</td>
</tr>
<tr>
<td>Clinical Nutrition</td>
<td>~$4B</td>
<td>3% - 4%</td>
</tr>
<tr>
<td>Medication Delivery</td>
<td>~$23B</td>
<td>~3%</td>
</tr>
<tr>
<td>Advanced Surgery</td>
<td>~$3B</td>
<td>4% - 5%</td>
</tr>
<tr>
<td>Pharmaceuticals</td>
<td>~$57B</td>
<td>6% - 7%</td>
</tr>
<tr>
<td><strong>Total Baxter</strong></td>
<td><strong>$100B+</strong></td>
<td><strong>3% - 4(^3)</strong></td>
</tr>
</tbody>
</table>

- Sustainable 3% - 4% market growth
- Medically necessary therapies
- Global expansion and increased adoption in emerging markets

\(^1\) 2018 market size based on internal analysis. \(^2\) Estimated 2018 – 2023 CAGR based on internal analysis. \(^3\) Baxter’s estimated weighted average market growth.
MISSION
SAVE AND SUSTAIN LIVES
TOP QUARTILE GOALS

- Patient safety and Quality
- Growth through innovation
- Best place to work
- Industry leading performance
STRATEGY

Strengthen our portfolio and extend our impact through transformative innovation that spans prevention to recovery
Baxter’s Strategic Growth Drivers

**Portfolio Innovation**
- Executing on pipeline opportunities and geographic expansion

**Market Development**
- Driving growth through evidence generation, physician education, and targeted market investments

**Enter Adjacencies**
- Expanding beyond the core to unlock new therapies and markets

Multiple Avenues To Accelerate Growth
Investment Prioritization

Core Growth
- Acute Therapies (CRRT)
- Advanced Surgery
- Generic Injectable Drugs

Core Return On Capital
- Clinical Nutrition
- Inhaled Anesthesia
- IV Solutions (Select Geographies)
- IV Pumps and Sets
- Peritoneal Dialysis
- BioPharma Solutions

Maintain Or Manage Differently
- Compounding
- Elastomeric
- In-Center Hemodialysis

Strategic Bets
- Disruptive Renal Care Models
- Critical Care / Extracorporeal Therapies
- Specialized Monitoring / PIVA
- Digital Health
- Infection Control
Robust Pipeline Driving Value For Stakeholders

Delivering ~$1.7 Billion In 2023 New Product Sales

1All references to “new products” in this presentation include new product launches, line extensions and geographic expansions, unless otherwise noted.
Robust Pipeline Driving Value For Stakeholders

Delivering ~$1.7 Billion In 2023 New Product Sales
Focus For Business Development and Licensing

Potential Opportunities

- Targeted Surgical Specialties
- Generic Injectables
- Local / Regional Opportunities

- Critical Care / Extracorporeal Therapies
- Multi-Organ Therapies
- Clinical Decision Support
- New Surgical Specialties

- Chronic Kidney Disease Management
- Targeted Biosimilars
Key Takeaways

Increasing innovation to drive accelerated revenue growth

Maintaining strong cadence of product launches and geographic expansions

Realizing ongoing benefits of business transformation initiatives and organization optimization

Strategically deploying capital to enhance value and improve profitability
ONE BAXTER FORCE MULTIPLIER

TOP QUARTILE GOALS
- Patient safety and Quality
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STRATEGY
Strengthen our portfolio and extend our impact through transformative innovation that spans prevention to recovery

MISSION
SAVE AND SUSTAIN LIVES

ETHICS AND COMPLIANCE IN EVERYTHING WE DO

CULTURE LEVERS
- Speed
- Simplicity
- Courage
- Collaboration