

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.

85+ year heritage of **saving and sustaining lives**



Strong **global business** with great people



One of the most **trusted brands** in medical products



Established **market leadership** across portfolio

Unique opportunity to create **shareholder value**



Baxter Profile



60M+ patients
treated annually



Products in
100+ countries

Global Revenue¹



\$10.6B
2017 Sales

Revenue by Region¹



Baxter Profile

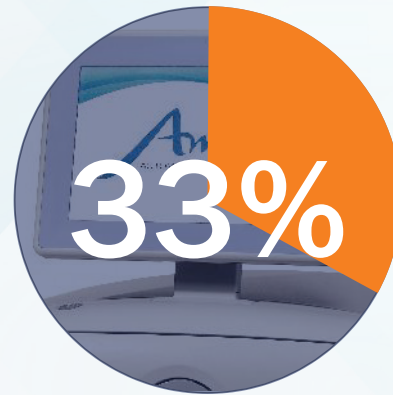


Market-leading positions

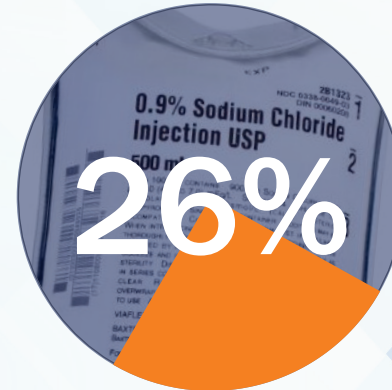


Broad reach and channel strength

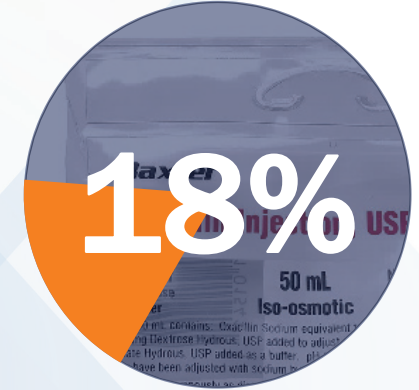
Revenue by Business¹



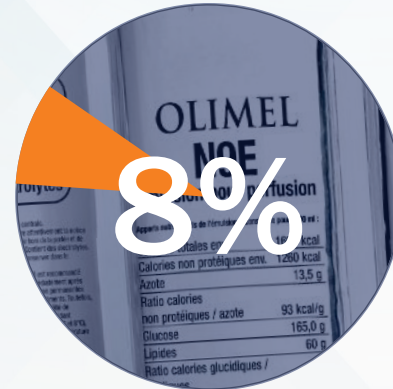
RENAL CARE



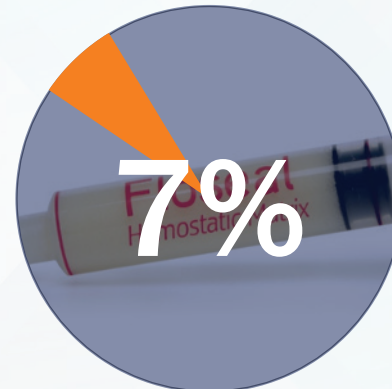
MEDICATION DELIVERY



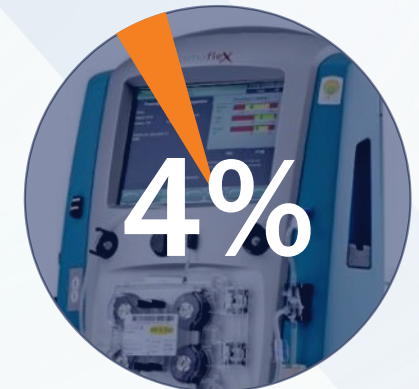
PHARMACEUTICALS



CLINICAL NUTRITION



ADVANCED SURGERY



ACUTE THERAPIES

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



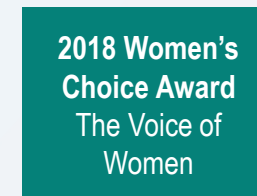
Strengthening relationships
with global regulators





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

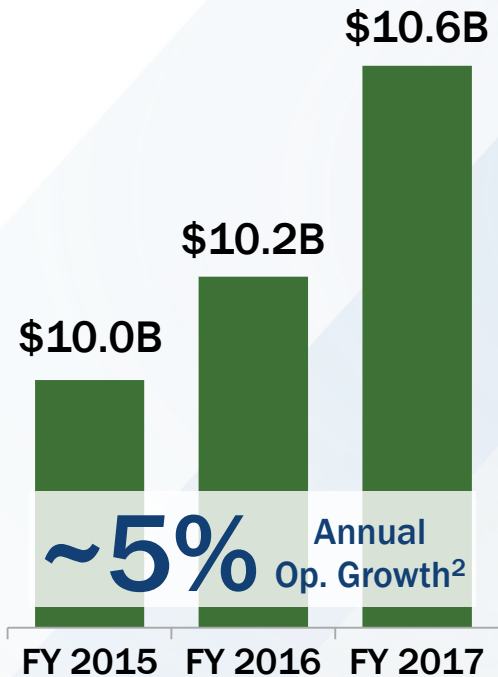
**Portfolio and
Innovation
Management**

**Operational
Excellence**

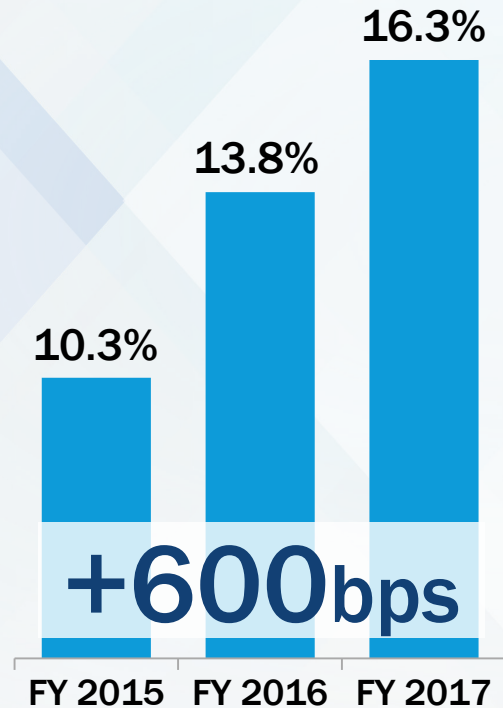
**Capital
Allocation**

Continuing Momentum Across Key Performance Metrics¹

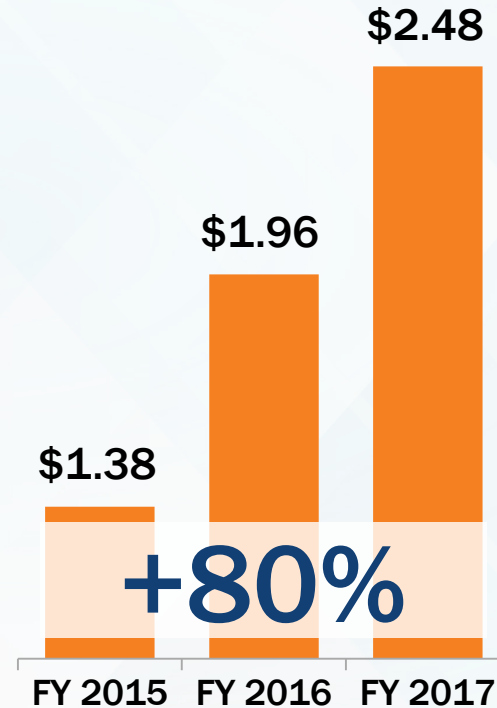
Global Reported Revenues



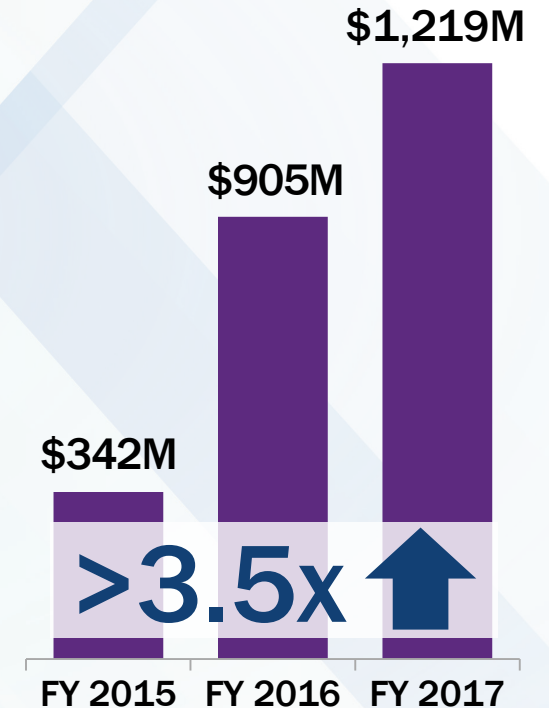
Adjusted Operating Margin



Adjusted Diluted EPS



Free Cash Flow³



¹See 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.

²Operational sales growth excludes the impact of foreign currency, Claris, Cyclo competition, and strategic product exits. ³Operating 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

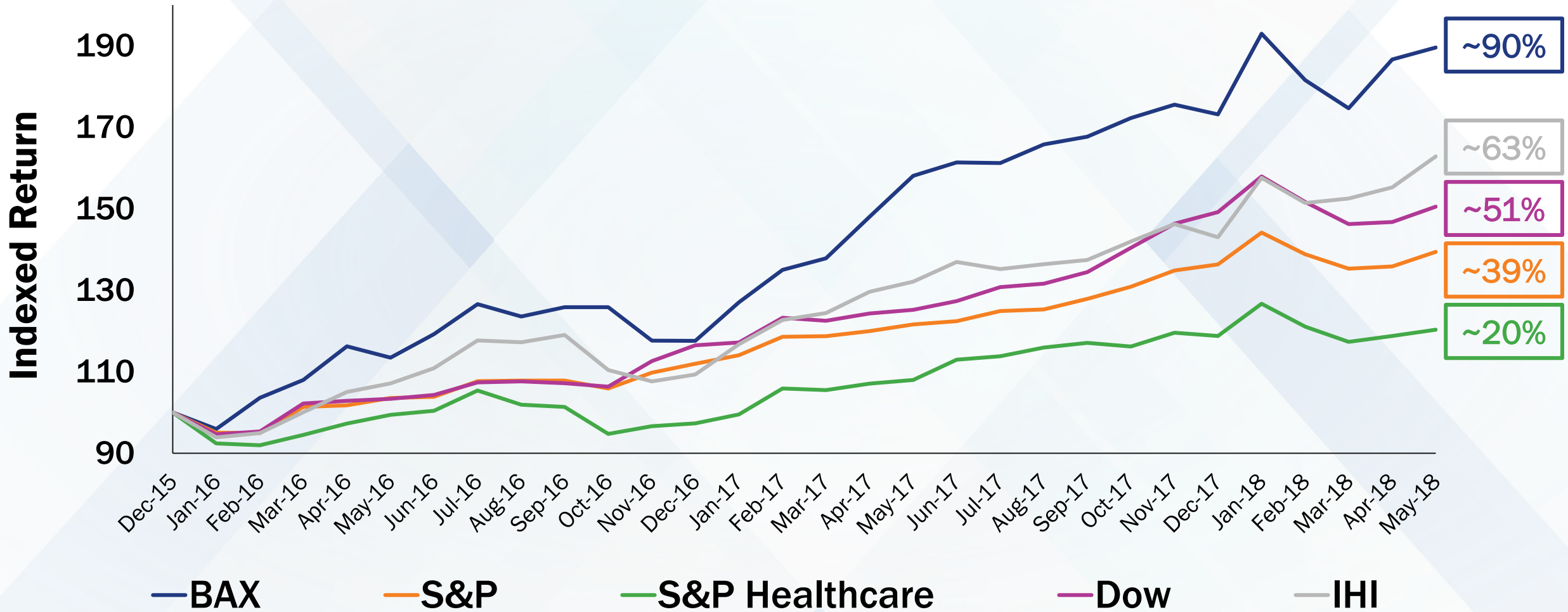
Repurchased ~35 million
Baxter shares¹

Executed strategic acquisitions
and collaborations

- ✓ Claris Injectables
- ✓ Recothrom & Preveleak
- ✓ Woundcare Technologies

Delivering Significant Value For Investors

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



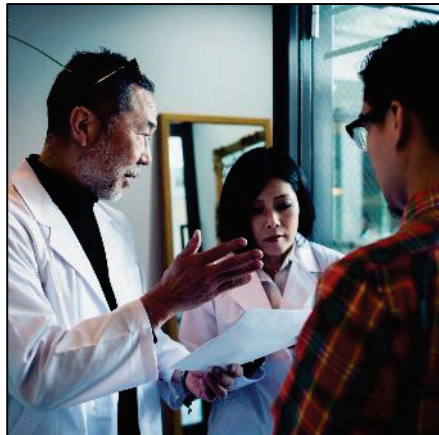
Market Trends Snapshot



**More Patients,
More Complexity**



**Outcomes-Based,
Relevant
Innovation**



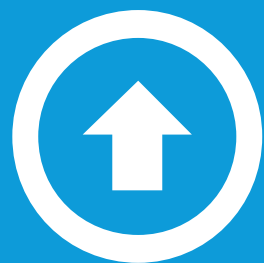
**Optimizing Delivery
of Care**



**Data Analytics
Driving Total
Patient
Management**

Markets Stabilizing Globally; Well-Positioned To Capitalize On Trends

Key Market Overview



**Sustainable
3% - 4%
market growth**

- Medically necessary therapies
- Global expansion and increased adoption in emerging markets

Market	Size ¹	Growth ²
Renal Care	~\$14B	4% - 5%
Acute Therapies	~\$1B	7% - 8%
Clinical Nutrition	~\$4B	3% - 4%
Medication Delivery	~\$23B	~3%
Advanced Surgery	~\$3B	4% - 5%
Pharmaceuticals	~\$57B	6% - 7%
Total Baxter	\$100B+	3% - 4%³

Baxter

— 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



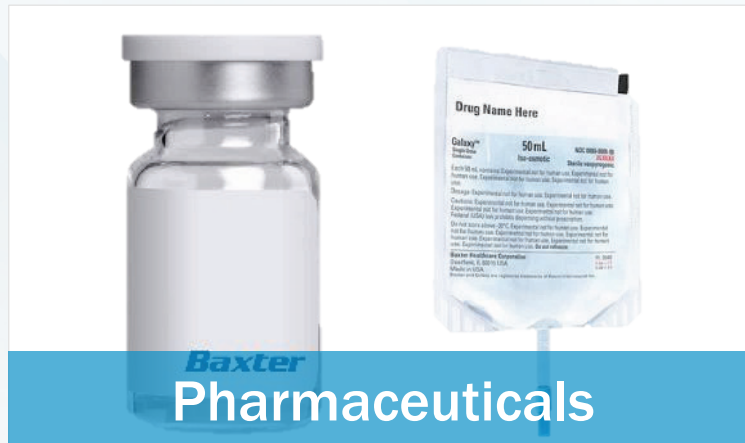
Expanding beyond the core to unlock new therapies and markets

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	Elastomerics	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 Sales¹

Robust Pipeline Driving Value For Stakeholders

~\$150M

2023 New Product Sales

Acute Therapies

~\$80M

2023 New Product Sales

Advanced Surgery

~\$120M

2023 New Product Sales

Clinical Nutrition

~\$400M

2023 New Product Sales

Medication Delivery

~\$550M

2023 New Product Sales

Pharmaceuticals

~\$400M

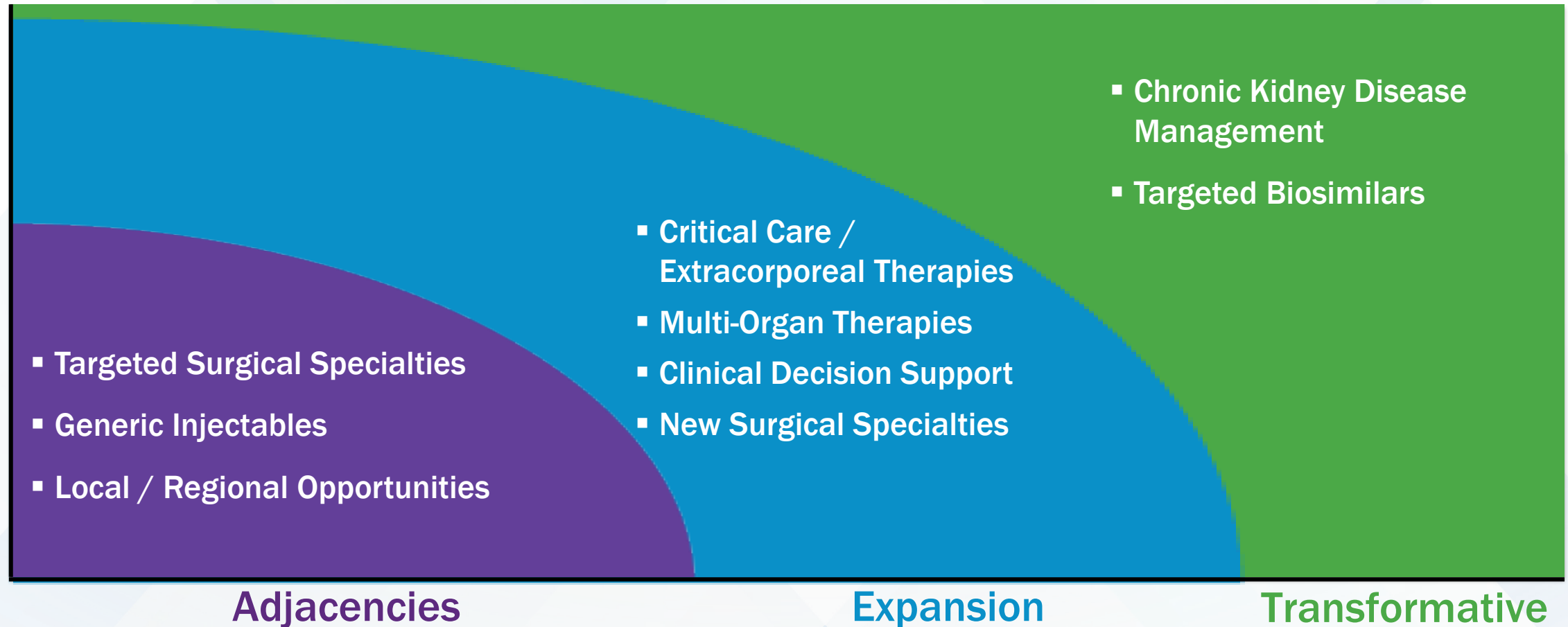
2023 New Product Sales

Renal Care

Delivering ~\$1.7 Billion In 2023 New Product Sales

Focus For Business Development and Licensing

Potential Opportunities



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



ONEBAXTER FORCE MULTIPLIER

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

MISSION

**SAVE AND
SUSTAIN
LIVES**

**ETHICS AND
COMPLIANCE IN
EVERYTHING WE DO**

CULTURE LEVERS

Speed Courage
Simplicity Collaboration

The background features a complex geometric pattern of overlapping triangles in various shades of blue, from light sky blue to dark navy blue, creating a dynamic, crystalline effect. The word "Baxter" is prominently displayed in the center in a white, bold, italicized sans-serif font.

Baxter

2018 Investor Conference