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.
Generic Pharmaceuticals Market Expected To Grow 6% - 7% Through 2023; Where Baxter Participates Today, Weighted Market Growth Is 3% - 4%.

1Market estimates and Baxter position based on internal estimates; Market represents non-oral generic pharmaceuticals.
22018 – 2023 Compounded Annual Growth Rate
3Weighted Average Market Growth Rate.
Baxter Addressable Market Over The LRP

2018

$10B
71 molecules
~130 products
~1,900 registrations

2023

$22B
138 molecules
~240 products
~2,800 registrations

67 NEW molecules
~110 NEW products
~900 NEW registrations

More than doubling the size of Baxter’s addressable market

Addressable Market More Than Doubles With Baxter Molecule Expansion

1See slide 15 for references.
Generic Injectable Market Dynamics

**Hospital Cost Pressures**
80% of hospital patients globally prescribed generic injectables

**Generic Molecule Growth**
~$6B of branded injectable patent expirations in the U.S. over the next 5 years

**Supply Continuity Challenges**
95 products are currently on the FDA shortage list

**Regulatory Compliance**
Number of FDA warning letters doubled from 2016 to 2017

Positioned To Capitalize On Market Trends To Address Patient And Customer Needs

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1See slide 15 for reference.
Baxter Pharmaceuticals Portfolio

Generic Injectable Drugs
86% Differentiated | 14% Simple

Inhaled Anesthesia

$1.9B
2017 Sales

Drug Compounding

Suprane
Sevoflurane

Proprietary Aseptic & Terminally Sterilized Premixes

Vials & Ampoules

Market Leader In Differentiated Drug Formulations And Delivery Systems
Baxter Key Capabilities

- **Hospital Channel Strength**: Hospital leadership in key markets; global presence in **over 100 countries**
- **Hospital Channel Strength**: Global Cost-Effective Manufacturing
  - **28 locations** produce injectable or inhalation products
- **Proven Quality And Patient Safety Track Record**: 80+ years of injectable experience
- **Leadership Through Formulation Technologies**: Proven ability to develop **complex formulations**
- **Unmatched Expertise In Drug Delivery Platforms**: Market leader in aseptic premixes & inhaled gases
- **Foundational Strength In Key Therapeutic Areas**: 71 molecules in key therapeutic areas
Strategic Growth Drivers

Portfolio Innovation

~$550M
2023 New Product Revenue\(^1\)

Build a broad portfolio in
5 key therapeutic areas
across the globe

Anesthesia  Anti-infectives
Cardiovascular  Specialty Care

Market Development

Capitalize on
differentiated
delivery platforms

Target specific opportunities
for early market entry

~$6B
U.S. branded drugs
coming off patent

Enter Adjacencies

Leverage expertise to
develop complex drug
formulations

New Product Launches Drive Growth Of 6% - 7% Through 2023\(^2\)

\(^1\)All references to “new products” in this presentation include new product launches, line extensions and geographic expansions, unless otherwise noted. \(^2\)All 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.
Expansion In Key Therapeutic Areas

Establishing A Leadership Position In Generic Injectables Market And Delivering ~$550 Million Of New Product Sales In 2023

<table>
<thead>
<tr>
<th>Therapeutic Area</th>
<th>2018 Molecules</th>
<th>2023 Molecules</th>
</tr>
</thead>
<tbody>
<tr>
<td>Specialty Care</td>
<td>+12 molecules</td>
<td>+13 molecules</td>
</tr>
<tr>
<td>Oncology</td>
<td>+13 molecules</td>
<td>+14 molecules</td>
</tr>
<tr>
<td>Cardiovascular</td>
<td></td>
<td>+14 molecules</td>
</tr>
<tr>
<td>Anti-Infectives</td>
<td>+6 molecules</td>
<td>+22 molecules</td>
</tr>
<tr>
<td>Anesthesia¹</td>
<td></td>
<td>+22 molecules</td>
</tr>
<tr>
<td>Total Molecules</td>
<td>71 molecules</td>
<td>138 molecules</td>
</tr>
</tbody>
</table>

¹See slide 15 for references.
Baxter’s Hospital Channel Strength

Recent Successful U.S. Premix Launch With 47% Higher Penetration In First 18 Months\(^1\)

![Graph showing units per quarter with Baxter and competitor data]

Hospital Leadership In Key Markets

Global Presence In Over 100 Countries

Baxter Channel Strength Drives Rapid Market Adoption And Share Gains

\(^1\)Based on IMS and Baxter internal data.
Differentiated Delivery Platforms

Generic Injectables + Differentiated Drug Delivery Platform = Value for Patients and Customers

- Existing generic molecules
- Molecules coming off patent

- Aseptic Premixes
- Inhalation Products
- Prefilled Syringes
- Terminally Sterilized in Multiple Platforms

- Reduces risk of medication errors
- Helps lower potential risk of infections
- Reduces touch points in the hospital pharmacy and at the bedside
- Improves pharmacy workflow

Unmatched Drug Delivery Capabilities Allow Opportunities To Accelerate Launches Within Key Therapeutic Areas
Complex Drug Formulations

- Emulsions
- Oxygen Sensitive
- Liposomes
- Nanoparticles

Proven Ability To Develop Complex Formulations

- Cytotoxics
- Lyophilization
- Cyclodextrins
- Inhalation

Leveraging Expertise In Complex Formulation Technologies To Expand Offerings And Drive Growth
Transformative Innovation

Drug Delivery Expertise

Novel Drug Delivery Platforms
Innovation to transform the delivery of medication

Selective Biosimilars
Target therapeutic areas of Oncology & Supportive Care

Opportunities To Meaningfully Alter The Growth Trajectory Of The Business
Pharmaceuticals Summary

Portfolio expansion and scaling in key markets deliver \textit{growth of 6\% - 7\% through 2023$^1$}

Significant \textit{hospital channel strength} drives penetration and accelerates share gains

Track record of \textit{quality and patient safety} enables supply continuity and customer satisfaction

\textit{R&D capabilities} to develop complex molecules and unique drug delivery platforms enable differentiation

\textit{Global manufacturing footprint} facilitates low-cost production and supply flexibility
References

Baxter Addressable Market (Slide 4)
1) Portfolio expansion over 5 year time period (2018-2023). Subject to regulatory approvals.

Generic Injectables Market Dynamics (Slide 5)

Expansion In Key Therapeutic Areas (Slide 9)
1) Includes 3 Inhaled Anesthesia molecules.