STRATEGIC OVERVIEW

Giuseppe Accogli
SVP and President, Global Businesses

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.
Key Market Overview

Sustainable market growth of 3% - 4% supported by:

- Medically necessary products and therapies
- Rising prevalence of chronic disease and co-morbidities
- Global expansion and increased adoption in emerging markets

### Baxter Outlook

<table>
<thead>
<tr>
<th>Market</th>
<th>Size</th>
<th>Growth</th>
<th>Baxter Outlook</th>
</tr>
</thead>
<tbody>
<tr>
<td>Renal Care</td>
<td>~$14B</td>
<td>~4%</td>
<td>~5%</td>
</tr>
<tr>
<td>Acute Therapies</td>
<td>~$1B</td>
<td>7% - 8%</td>
<td>8% - 9%</td>
</tr>
<tr>
<td>Clinical Nutrition</td>
<td>~$4B</td>
<td>3% - 4%</td>
<td>4% - 5%</td>
</tr>
<tr>
<td>Medication Delivery</td>
<td>~$23B</td>
<td>~3%</td>
<td>3% - 4%</td>
</tr>
<tr>
<td>Advanced Surgery</td>
<td>~$3B</td>
<td>4% - 5%</td>
<td>6% - 7%</td>
</tr>
<tr>
<td>Pharmaceuticals</td>
<td>~$57B</td>
<td>6% - 7%</td>
<td>6% - 7%</td>
</tr>
<tr>
<td><strong>Total Baxter</strong></td>
<td>$100B+</td>
<td>3% - 4%</td>
<td>~5%</td>
</tr>
</tbody>
</table>

1. 2018 market size based on internal analysis. 2. Estimated 2018 – 2023 CAGR based on internal analysis. 3. Baxter’s weighted average market growth. 4. 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.
Our Strategy

Exceed our end-market growth by strengthening our portfolio and extending our impact through transformative innovation that spans prevention to recovery.
Baxter’s Strategic Growth Drivers

Portfolio Innovation

~$1.7B
2023 New Product Sales\(^1\)

Executing on pipeline opportunities and geographic expansion

Market Development

$150M
Strategic Growth Investments\(^2\)

Clinical Evidence Generation
Education And Awareness
Targeted Market Investments

Increasing Market Access

Enter Adjacencies

$6B+
New Market Opportunities

Expanding beyond the core to unlock new therapies and markets

Multiple Avenues To Consistently Exceed Our End-Market Growth

---

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

\(^2\) Planned 2018 – 2023 cumulative investment.
Building A Culture Of Innovation

New Product Sales

- 2018: ~$0.3B
- 2020: ~$1.0B
- 2023: ~$1.7B

Fueled By:

- New Organizational Structure
- Resource Reallocation
- New Talent In Place
- Accelerated Pace Of Innovation

New Products And Geographic Expansion To Drive 40%+ Of LRP Sales Growth

Near-Term Launches

2018 Launches
~$500M
2023 New Product Sales

2019 Launches
~$400M
2023 New Product Sales

2020 Launches
~$350M
2023 New Product Sales

2018 – 2020 Launches Drive $1.2+ Billion In 2023 Sales
Significant Investment In Evidence Generation Supports Therapy And Product Adoption Of Current And Future Addressable Categories

$100M+ Investment In Evidence Generation In Progress

2017 - 2018¹

- Theranova: 2 Claims
- CRRT: 6 Claims
- ShareSource: 9 Claims
- Floseal: 2 Claims

Future

- Oxiris
- Balanced Solutions
- Nutrition in Oncology
- Infection Prevention
- Numeta
- PIVA
- Point of Care
- Olimel N12
- Theranova
- Extracorporeal CO₂ Removal

¹Claims achieved as of 5/21/18.
Educational Programs Across Multiple Businesses Help Drive Awareness And Adoption Of Our Therapies

Clinical Nutrition
- **iCAN**
  - Investing in supplemental Parenteral Nutrition awareness
  - Clinicians were 80% more likely to adopt an olive-based lipid product as first line therapy after program

Advanced Surgery
- **HemoVision**
  - Surgeon-to-surgeon web based engagement platform
  - Trained 5,000 HCPs in 2017;
  - Trained 4,000 HCPs in Q1 2018

Medication Delivery
- **Equilibria**
  - Program encouraging use of balanced fluids in fluid management practice
  - NEJM article published on potentially improved outcomes for Plasma-Lyte vs. 0.9 NaCl in critically-ill patients
Japan currently represents only ~3% of Baxter overall sales.

Whereas Japan typically represents ~10% for the medical device industry.

Significant emphasis and investment will be placed on commercial opportunities in Japan across:

- Renal Care
- Advanced Surgery
- Acute Therapies
- Pharmaceuticals

Strategic Growth Initiatives

Organ Support Therapies

Neonatal Nutrition & Nutrition in Oncology

Differentiated Drug Delivery Platforms

Syringe & Pain Pumps

Entering Adjacencies Will Allow Us To Compete In $6B+ Of Additional Markets

Specialized Monitoring
Non-Invasive Methods To Monitor Volume Status And Guide Fluid Therapy

Fluid Volume Level

Hemorrhage
Sepsis
Dehydration
Heart failure
Renal failure
Liver failure
Transformative Innovation

**Personalized Care**

Utilize installed base of ~800K electromechanical devices to create therapy ecosystem

**Utilize Existing Technologies**

New applications of Baxter’s innovative membrane technology
- Antibody therapy using blood purification
- Treatment of rare diseases
- Cancer treatments

**New Business Models**

Enable CKD\(^1\) and AKI\(^2\) management from early diagnosis to recovery

---

Transformative Innovation Allows Us To Participate Across The Continuum Of Care And Launch Potentially Disruptive Therapies

\(^1\)Chronic kidney disease. \(^2\)Acute kidney injury.
Strategy Overview Summary

Operating in critically-needed therapies that drive **sustainable market growth** over the LRP

Strengthening the portfolio through innovation to deliver ~$1.7B of new product sales and geographic expansions in 2023

Unlocking $6B+ of additional addressable categories through market development and adjacencies

**Pursuing transformative programs** with focus on disruptive therapies and participating across the entire continuum of care