Safe Harbor Statement

This presentation includes forward-looking statements concerning Baxter’s financial results, business development activities (including the recent acquisition of Claris Injectables in July 2017), capital structure, cost savings initiatives, R&D pipeline including results of clinical trials and planned product launches and outlook for 2017 and 2020. 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, and the impact of those products on quality or patient safety concerns; product development risks; product quality or patient safety concerns; future actions of regulatory bodies and other governmental authorities, including FDA, the Department of Justice, the New York Attorney General and foreign regulatory agencies (including with respect to the granting of temporary importation approvals); 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 acquisition of Claris Injectables); fluctuations in supply and demand (including as a result of natural disaster or otherwise); the availability of acceptable raw materials and component supply; the inability to create timely production capacity or other manufacturing supply difficulties; the ability to achieve the intended results associated with the separation of the biopharmaceutical and medical products businesses; 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 income earned outside the United States; actions taken by tax authorities in connection with ongoing tax audits; breaches or failures of the company’s information technology systems; loss of key employees or inability to identify and recruit new employees; the outcome of pending or future litigation; the adequacy of the company’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

2016 Revenue: $10.2 Billion

By Business:
- Hospital Products: 62%
- Renal: 38%

By Market:
- International: 58%
- U.S.: 42%

Industry-Leading Portfolio, Global Presence, Continuous Innovation, Operational Excellence
Aspiration For Baxter 2020

Quality and Patient Safety
- Investing in quality systems and processes
- Improving key quality metrics
- Strengthening relationships with global regulators
- Ensuring the highest possible standards

Best Place to Work
- Portfolio And Innovation Management
- Operational Excellence
- Capital Allocation

Industry Leading Performance

Accelerating Transformation Efforts To Achieve Top-Quartile Results
Industry Leading Performance

Advancing Three Critical Drivers

Portfolio And Innovation Management
Operational Excellence
Capital Allocation

Drive Improved Performance And Value Creation To Help Deliver Top-Quartile Shareholder Returns
Lifesaving Innovation Since 1931

First Commercial IV Solutions
First Commercial Dialysis System
First Peritoneal Dialysis Solutions
First Flexible IV Solution Containers
First MINI-BAG System
Innovating To Address Unmet Needs

Patients

Providers

Payers

Delivering meaningful, measurable value to stakeholders
Advancing Our New Product Portfolio

- Generic Injectables Expansion
- Generating Clinical Evidence
- Product Enhancements
- Over 2,800 U.S. Patients
- New Pump Platforms
- New Indications

Focused On High Potential, High Value Innovation
Accelerating Launch Cadence

PRODUCT LAUNCHES¹

2015: 17
2016: 24
2017 – 2022: 200+

- New Products
- New Indications
- Geographic Expansions

¹Launches include new products, geographic expansions, and line extensions; graphic is intended as visual representation.
Drive Improved Performance And Value Creation To Help Deliver Top-Quartile Shareholder Returns
Transforming Cost Structure And Enhancing Operational Efficiency

Zero-Based Organization
Rightsizing organization with reduced spans & layers

Zero-Based Spending
Employing disciplined cost assessment to eliminate waste

Portfolio Management
Optimizing manufacturing footprint, R&D operations and supply chain network

Global Business Services
Centralizing and streamlining support functions

Adjusted Operating Margin

<table>
<thead>
<tr>
<th>Year</th>
<th>2015 Actual</th>
<th>2017 Guidance</th>
<th>2020 Outlook</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>9.0%</td>
<td>15.5% - 16.0%</td>
<td>~20%</td>
</tr>
</tbody>
</table>

Accelerating Profitability Through Seamless Execution Of Cost-Reduction Initiatives

1See www.baxter.com for information regarding non-GAAP financial metrics used in this presentation, including constant currency sales, adjusted operating margin, adjusted diluted EPS and free cash flow.
Industry Leading Performance

Advancing Three Critical Drivers

- Portfolio And Innovation Management
- Operational Excellence
- Capital Allocation

Drive Improved Performance And Value Creation To Help Deliver Top-Quartile Shareholder Returns
Strategically Deploying Capital To Fuel Growth And Create Value\(^1\)

**Reinvest in Business**
Strategic investment to accelerate innovation

**Dividends**
Targeting ~35% long term payout ratio

**Share Repurchases**
Selective repurchase of ~4.7M shares YTD 2017\(^3\)

**M&A**
Executing strategic acquisitions and collaborations

> Optimizing Shareholder Value With Enhanced Flexibility To Reinvest In Business And Execute On M&A Opportunities

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**Free Cash Flow\(^2\)**

- 2015 Actual: ~$0.3B
- 2017 Guidance: ~$1.2B
- 2020 Outlook: ~$2.0B

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1See www.baxter.com for information regarding non-GAAP financial metrics used in this presentation, including constant currency sales, adjusted operating margin, adjusted diluted EPS and free cash flow. 2Operating cash flow less capital expenditures. 3As of Q3 2017 earnings release.
Rigorous Assessment Of Business Development And Licensing Opportunities

**Strategic Objectives**
- Drive category leadership
- Enhance Baxter’s weighted average market growth rate
- Expand into strategic adjacencies from core growth businesses
- Extend channel presence and geographic footprint

**General Financial Guidelines**
- Accelerates top line growth, accretive to operating margin
- Accretive to cash earnings in near term
- Preserve investment grade credit rating and financial flexibility
- Double-digit internal rate of return and attractive ROIC

**Net Debt / EBITDA Guidelines**
- ~2.0X
  - Future Steady State
  - Targeting investment grade rating
  - Focused on deployment of excess cash to fund M&A opportunities and accelerate returns

**Maintaining Discipline To Maximize Value**
Accelerating Growth Of Key Metrics
Financial Outlook¹

Global Reported Revenue

- 2016 Actual: ~$10.2B
- 2017 Guidance: ~$10.6B
- 2020 Outlook: Approaching $12B

~4% 2016 – 2020 CAGR²

Adjusted Operating Margin

- 2016 Actual: 13.6%
- 2017 Guidance: 15.5% - 16.0%
- 2020 Outlook: ~20.0%

>600 bps 2016 – 2020 Increase

Adjusted Diluted EPS

- 2016 Actual: $1.96
- 2017 Guidance: $2.40 - $2.43
- 2020 Outlook: $3.25 - $3.40

13% - 15% 2016 – 2020 CAGR

Free Cash Flow

- 2016 Actual: ~$0.9B
- 2017 Guidance: ~$1.2B
- 2020 Outlook: ~$2.0B

~22% 2016 – 2020 CAGR

¹See www.baxter.com for information regarding non-GAAP financial metrics used in this presentation, including constant currency sales, adjusted operating margin, adjusted diluted EPS and free cash flow. ²Constant currency

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Continuing Strong Momentum

- Increasing innovation to drive accelerated revenue growth
- Maintaining strong cadence of product launches and geographic expansions
- Realizing ongoing benefits of cost reduction initiatives and organization optimization
- Opportunistically deploying capital to enhance value and improve profitability
- Anticipating long-term guidance update during 2018 investor conference