



43RD ANNUAL J.P. MORGAN HEALTHCARE CONFERENCE

José (Joe) Almeida

Chair, President & Chief Executive Officer

JANUARY 13, 2025

SAFE HARBOR STATEMENT

This presentation includes forward-looking statements concerning the company's financial results (including the outlook for full-year 2024 and full-year 2025) and business development, regulatory and operational activities (including the anticipated timing and impact of Hurricane Helene recovery efforts, the company's cost containment initiatives and new product launch activities). These forward-looking 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: the company's ability to execute and complete strategic initiatives, asset dispositions and other transactions and development activities, including the pending sale of the company's Kidney Care business, the company's plans to simplify its manufacturing footprint, the timing for such transactions and risks associated with a consolidated manufacturing footprint, the ability to satisfy any applicable conditions and the expected proceeds, consideration and realization of anticipated benefits; failure to accurately forecast or achieve the company's short- and long-term financial performance and goals (including with respect to the company's strategic initiatives and other actions and related impacts on its liquidity; the company's ability to execute on its capital allocation plans, including the company's debt repayment plans, the timing and amount of any dividends, share repurchases and divestiture proceeds; the company's ability to successfully integrate acquisitions; the impact of global economic conditions (including, among other things, inflation levels, interest rates, financial market volatility, banking crises, the potential for a recession, the war in Ukraine, the conflict in the Middle East, tensions amongst China, Taiwan and the U.S., and the potential for escalation of these conflicts, the related economic sanctions being imposed globally in response to the conflicts and potential trade wars and global public health crises, pandemics and epidemics or the anticipation of any of the foregoing, on the company's operations and on the company's employees, customers, suppliers, and foreign governments in countries in which the company operates; downgrades to the company's credit ratings or ratings outlooks, or withdrawals by rating agencies from rating us and the company's indebtedness, and the impact on the company's funding costs and liquidity; the impact of any goodwill, intangible asset or other long-lived asset impairments on the company's operating results; product development risks, including satisfactory clinical performance and obtaining and maintaining required regulatory approvals (including as a result of evolving regulatory requirements or the withdrawal or resubmission of any pending applications), the ability to manufacture at appropriate scale and the general unpredictability associated with the product development cycle; regulatory agency inspections, product quality or patient safety issues leading to product recalls, withdrawals, labeling changes, launch delays, warning letters, import bans, denial of import certifications, sanctions, seizures, litigation or declining sales, including the focus on evaluating product portfolios for the potential presence or formation of nitrosamines; future actions of, or failures to act or delays in acting by, FDA, the European Medicines Agency or any other regulatory body or government authority (including the SEC, Department of Justice or the Attorney General of any State) that could delay, limit or suspend product development, manufacturing or sale or result in seizures, recalls, injunctions, monetary sanctions or criminal or civil liabilities; demand and market acceptance risks for, and competitive pressures related to, new and existing products, challenges with the company's ability to accurately predict changing consumer preferences and future expenditures and inventory levels, and challenges with the company's ability to monetize new and existing products and services, the impact of those products on quality and patient safety concerns and the need for ongoing training and support for our products; breaches, including by cyber-attack, data leakage, unauthorized access or theft, or failures of or vulnerabilities in, the company's information technology systems or products; the continuity, availability and pricing of acceptable raw materials and component parts, the company's ability to pass some or all of these costs to the company's customers through recent price increases or otherwise, and the related continuity of the company's manufacturing and distribution and those of the company's suppliers; inability to create additional production capacity in a timely manner or the occurrence of other manufacturing, sterilization or supply difficulties, including as a result of natural disaster, war, terrorism, global public health crises and epidemics/pandemics, regulatory actions or otherwise (including the impact of the physical effects of climate change such as severe storms and storm related events); the company's ability to finance and develop new products or enhancements on commercially acceptable terms or at all; loss of key employees (including those involved with any key strategic actions), the occurrence of labor disruptions (including as a result of labor disagreements under bargaining agreements or national trade union agreements or disputes with works councils) or the inability to attract, develop, retain and engage employees; failures with respect to the company's quality, compliance or ethics programs; future actions of third parties, including third-party payers and the company's customers and distributors (including GPOs and IDNs); changes to legislation and regulation and other governmental pressures in United States and globally, including the cost of compliance and potential penalties for purported noncompliance thereof, including new or amended laws, rules and regulations as well as the impact of healthcare reform and its implementation, suspension, repeal, replacement, amendment, modification and other similar actions undertaken by the United States or foreign governments, including with respect to pricing, reimbursement, taxation and rebate policies; the outcome of pending or future litigation; the impact of competitive products and pricing, including generic competition, drug reimportation and disruptive technologies; global regulatory, trade and tax policies; the ability to protect or enforce the company's patents or other proprietary rights (including trademarks, copyrights, trade secrets and know-how) or where the patents of third parties prevent or restrict the company's manufacture, sale or use of affected products or technology; fluctuations in foreign exchange and interest rates; any changes in law concerning the taxation of income (whether with respect to current or future tax reform); actions by tax authorities in connection with ongoing tax audits; and other risks identified in Baxter's most recent filings on Form 10-K and Form 10-Q and other SEC filings, all of which are available on Baxter's website. Baxter does not undertake to update its forward-looking statements unless otherwise required by the federal securities laws.

NON-GAAP FINANCIAL MEASURES

This presentation contains certain forward-looking financial measures that are not calculated in accordance with U.S. GAAP (Generally Accepted Accounting Principles). The forward-looking non-GAAP financial measures include forward-looking adjusted operating margin guidance, targeted annual operational sales growth, targeted adjusted operating margin for 2025, and targeted free cash flow conversion ratio. Those measures are provided on a continuing operations basis and exclude any impact of the Kidney Care segment, which will be reported as a discontinued operation.

Targeted annual operational sales growth represents the company's targeted future sales growth excluding sales to Vantive under the related manufacturing supply agreement and assuming foreign currency exchange rates remain constant in future periods. Targeted adjusted operating margin represents targeted adjusted operating income (operating income excluding special items that may occur during the forecast period) divided by targeted net sales. The targeted free cash flow conversion ratio represents the ratio of targeted free cash flow (targeted operating cash flow less capital expenditures) divided by targeted adjusted net income attributable to Baxter stockholders (targeted net income attributable to Baxter stockholders excluding special items that may occur during the forecast period).

Baxter has not provided reconciliations of forward-looking adjusted operating margin guidance to GAAP operating margin guidance, targeted annual operational sales growth to a forward-looking estimate of annual GAAP sales growth, targeted adjusted operating margin to a forward-looking estimate of GAAP operating margin, or targeted free cash flow conversion ratio to a forward-looking estimate of the ratio of operating cash flow to GAAP net income attributable to Baxter stockholders because the company is unable to predict with reasonable certainty the impact of legal proceedings, future business optimization actions, separation-related costs, integration-related costs, asset impairments, unusual gains and losses, and changes in foreign currency exchange rates, and the related amounts are unavailable without unreasonable efforts (as specified in the exception provided by Item 10(e)(1)(i)(B) of Regulation S-K). In addition, Baxter believes that such reconciliations would imply a degree of precision and certainty that could be confusing to investors. Such items could have a substantial impact on GAAP measures of financial performance.

UNWAVERING IN OUR
MISSION OF
**SAVING AND
SUSTAINING LIVES**



BUSINESS HIGHLIGHTS



- Executing broad strategic transformation to enhance performance, accelerate innovation and drive incremental value for all stakeholders
- Benefitting from balanced and diversified portfolio to deliver results and advance our Mission
- Finalizing completion of pending sale of Kidney Care business
- Established preliminary 2025 guidance post separation
- Restarted production of North Cove, NC manufacturing facility; expecting to be back to pre-Hurricane production levels early Q1 2025

PROGRESS UPDATE ON STRATEGIC ACTIONS TAKEN TO DELIVER ENHANCED SHAREHOLDER VALUE

Complete



- Finalized operating model and in Q3 2023 began reporting across four verticalized global segments replacing prior structure of nine businesses operating across three geographic regions

Complete



- Completed the divestiture of the BioPharma Solutions (BPS) business at the end of Q3 2023. Utilizing ~\$3.7 billion of net after-tax proceeds for debt repayment, consistent with previously noted capital allocation priorities

In Progress



- On Aug. 13, 2024, Baxter and Carlyle announced a definitive agreement under which Carlyle is to acquire Baxter's Kidney Care segment, to be known as Vantive, for \$3.80 billion

PENDING VANTIVE SALE: WHAT'S NEXT



- Regulatory submissions, clearances under way in global markets
- Transaction is currently expected to close early 2025¹
- Baxter expects to receive approximately \$3.50 billion in cash with net after-tax proceeds currently estimated to be in the range of \$3.15 to \$3.25 billion, exceeding original expectations

NEW BAXTER: INCREASED AGILITY, CLEARER FOCUS AND BETTER POSITIONED TO INVEST FOR GROWTH AND INNOVATION



An **essential healthcare partner** with an unmatched portfolio of **market-leading devices, medicines and technologies**

Focused on **customer-inspired innovation** in **key care settings** where Baxter believes it is best positioned to succeed

Exceptional team united by our **Mission**, focused on **consistent execution** and **driving value for all stakeholders**

MEDICAL PRODUCTS & THERAPIES¹

Infusion Therapies & Technologies

Current Portfolio



Novum IQ LVP & Syringe Infusion Platform (Canada / U.S.)



SIMPLFUSOR
Elastomeric Pump (Alt Site)



QuickStay Set
(Alt Site)



PeerVue (Digital)
Infusion Data Benchmarking and Knowledge Sharing



ExactaMix Pro
Nutrition Compounder



IV Solutions & Mini-Bag Plus



2CB & 3CB Clinical Nutrition

Near Term Launches²



OUS³ Gravity Set



IQ Guardian (Digital)
Artificial Intelligence Developed Software to Help Identify Infusion Anomalies



nonDEHP Viaflex (U.S.)



StatusVue (Digital)
Infusion Dashboard that Displays Infusion Status House-Wide



SVP Viaflo Expansion



ExactaMix Pro Remote Access

Future Launches



Novum IQ LVP Rest of World Launches



Novum PCA U.S. & Canada

New Multi Chambered Parenteral Nutrition Bag



Next Gen IV Global Container



Organic Sodium Phosphate (U.S.)

MEDICAL PRODUCTS & THERAPIES¹

Current Portfolio

Near Term Launches²

Future Launches

Advanced Surgery

Seprafilm
ADHESION BARRIER



Floseal
HEMOSTATIC MATRIX



Tisseel
FIBRIN SEALANT



FLOWCOUPLER
Pieces of Mind You Can Hear



U.S. PERCLOT



Floseal with Recothrom
Geographic Expansion



FLOWNOW
Doppler Blood Flow Monitoring Device



Hemopatch Room
Temperature



GEM Monitor v3

Coseal Adhesion
Reduction (Japan)



Accureach MIS
Introducer



New Indications and Line Extensions

HEALTHCARE SYSTEMS & TECHNOLOGIES¹

Current Portfolio



TS7000
Robotic Table



Voalte
Nurse Call



Helux Pro
Surgical
Light



Voalte Mobile



Progressa+



Centrella
Smart+

Near Term Launches²



Helion
OR Integration
Enhancements



Handsfree
Communication
System



Precision
Locating
System



Robotic
Table
Update



Progressa+
Europe
Expansion



Birthing Bed Roadmap
China Expansion and
Affinity 5 Release

Future Launches



Connected
Overhead Lift
System



Med Surg
Enhancements
Fall & Pressure Injury
Prediction



Next Gen Visualization &
Clinical Communication

Care &
Connectivity
Solutions

HEALTHCARE SYSTEMS & TECHNOLOGIES¹

Current Portfolio



**BardyDX
CAM Patch**



**Disposable
Blood
Pressure Cuffs**



**Thermometers &
Probe Covers**



**PanOptic and
MacroView Plus**



**Connex
Spot Monitor**



**Volara / Synclara
OLE System**

Near Term Launches²



Vest APX
Innovative Airway
Clearance Therapy



Next Gen Monitor
Secure, Connected &
Workflow-Friendly
Extensible Platform



**Next Generation
Digital Thermometer**



**RetinaVue with
LumineticsGo**
AI Diagnostic for Diabetic
Retinopathy



Mobile Cardiac Telemetry
Continuous Monitoring and
Near Real-Time Diagnostics

Future Launches



Intelligent Diagnostics
Smart Connected Early
Detection Vision Screening



Clinical Hub
Diagnostic and
Communication Hub
for Physician Offices

**Front Line
Care**

PHARMACEUTICALS¹

Current Portfolio

Near Term Launches²

Future Launches

Injectables & Anesthesia



Doxil



Zosyn



Sevoflurane



Daptomycin



Ifosfamide



Myxredlin



Vasopressin



Vancomycin



Norepinephrine



Micafungin



Ropivacaine



Cyclophosphamide Injection



Targeting ~10 new product launches per year

Drug Compounding



Focused on **optimizing profitability** through the service of higher margin products and manufacturing improvement programs

STRATEGIC TRANSFORMATION DESIGNED TO CREATE A MORE STREAMLINED, AGILE COMPANY FOCUSED ON ENHANCING VALUE¹



Financial

- Targeting 4% - 5% operational sales growth annually
- Driving sales growth faster than market through innovation and market expansion
- Anticipate adjusted operating margin of ~16.5% in 2025 and expanding annually thereafter



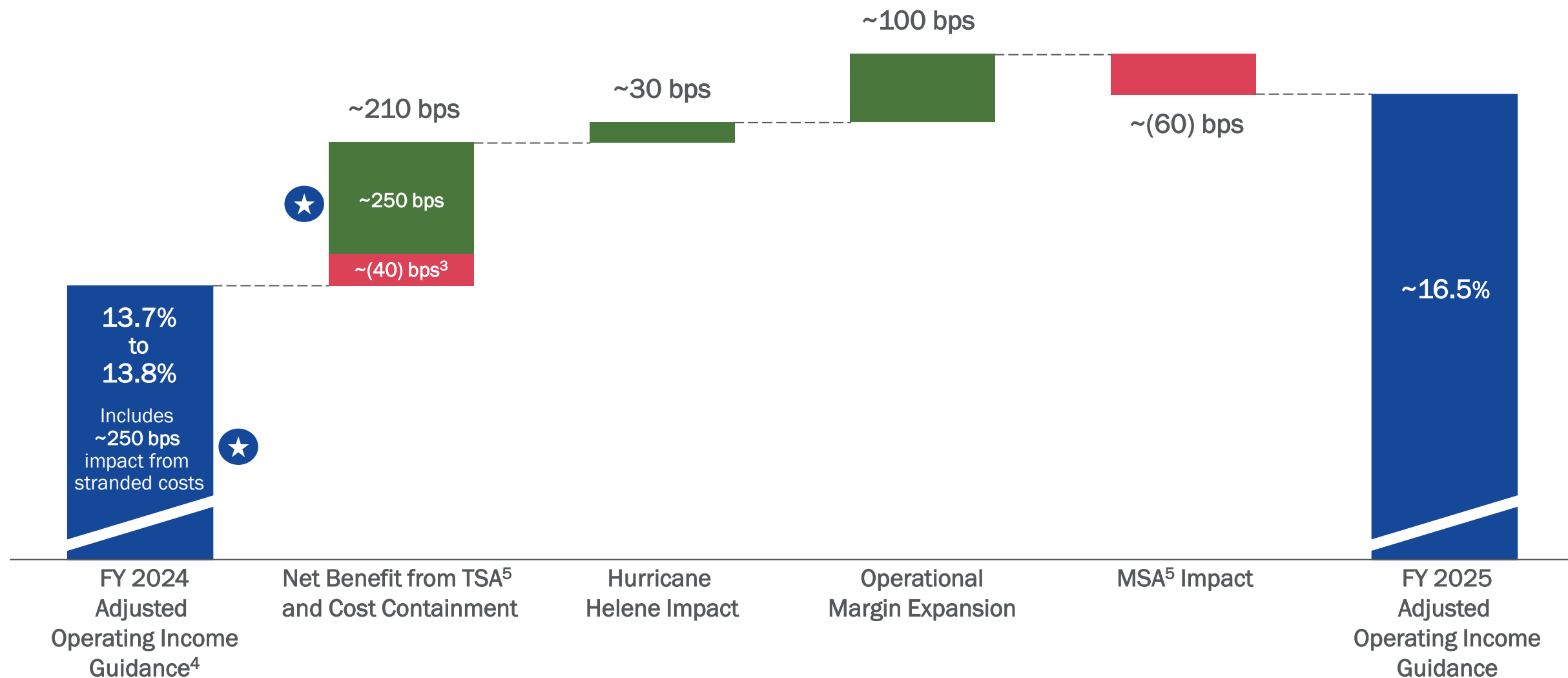
Capital

- Targeting ~80% Free Cash Flow Conversion driven by anticipated improved operating results and working capital enhancements
- Focused on deleveraging to reach investment-grade target of ~3.0X by the end of 2025
- Deploying capital towards higher-growth, higher-return opportunities

Driving operational efficiencies to deliver results and improve cash flow profile

Reinvesting in the business both organically and inorganically to enhance growth profile and improve WAMGR²

BAXTER (CO) PRELIMINARY OPERATING INCOME BRIDGE^{1,2}



NORTH COVE STRONG

September 29, 2024



January 9, 2025



- > **9 of 10** manufacturing lines restarted, with **10th line** expected to resume imminently
- > **9 plants** activated across global network to help increase available inventory
- > **100% allocation** reached across majority of critical IV product groups by the end of 2024
- > **~200 airplanes** delivered product to the U.S., representing nearly **18,000 tons of product** by the end of 2024
- > **1,200+ truckloads** of pre-hurricane manufactured product transported off site and to customers

CONTINUING MOMENTUM IN 2025 AND BEYOND

- Building on underlying 2024 business momentum and financial progress
- Assessing potential opportunities to exit select product and/or markets to further optimize portfolio and enhance performance
- Continuing to drive benefits from vertical operating model through increased accountability, differentiated investments and enhanced visibility to end markets
- Plan to host an investor conference in 2025 to discuss Baxter's longer-term strategic and financial outlook





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