



RAYMOND JAMES & ASSOCIATES' 46TH ANNUAL INSTITUTIONAL INVESTORS CONFERENCE

Joel Grade

Executive Vice President & Chief Financial Officer

MARCH 3, 2025

SAFE HARBOR STATEMENT

This presentation includes forward-looking statements concerning the company's financial results (including the outlook for first-quarter and full-year 2025) and business development and regulatory 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 achieve the intended benefits of its recent strategic actions, including the sale of the Kidney Care business, and cost saving initiatives; the company's ability to successfully integrate acquisitions, including the acquisition of Hill-Rom Holdings, Inc. and the related impact on the company's organization structure, senior leadership, culture, functional alignment, outsourcing and other areas, the company's management of resulting related personnel capacity constraints and potential institutional knowledge loss, and the company's ability to achieve anticipated performance or financial targets and maintain its reputation following integration; the impact of global economic conditions (including, among other things, changes in taxation, tariffs, trade policies and treaties, sanctions, embargos, export control restrictions, inflation levels and interest rates, financial market volatility, banking crises, the potential for a recession, the war in Ukraine, the conflict in the Middle East, other geopolitical events and the potential for escalation of these conflicts, the related economic sanctions being imposed globally in response to the conflicts and potential trade wars, 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; failure to accurately forecast or achieve the company's short- and long-term financial performance and goals, market and category growth rates, and related impacts on the company's 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; downgrades to the company's credit ratings or ratings outlooks, or withdrawals by rating agencies from rating the company and its indebtedness, and the impact on the company's funding costs and liquidity; fluctuations in foreign exchange and interest rates; the impact of any goodwill, intangible asset, or other long-lived asset impairments on the company's operating results; the company's ability to finance and develop new products or services, or enhancements thereto, on commercially acceptable terms or at all; 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; demand and market acceptance risks for, and competitive pressures related to, new and existing products and services, challenges with the company's ability to accurately predict changing customer preferences and future expenditures and inventory levels, and challenges with the company's ability to monetize new and existing products and services (and to sustain any related price increases), the impact of those products and services on quality and patient safety concerns, and the need for ongoing training and support for the company's products and services; the impact of competitive products and pricing, including generic competition, drug reimportation, and disruptive technologies; 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 U.S. Securities and Exchange Commission, 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; failures with respect to the company's quality, compliance or ethics programs; loss of key employees, including senior management, 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; 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 (such as Hurricane Helene), war, terrorism, global public health crises and epidemics/pandemics, regulatory actions or otherwise; future actions of third parties, including third-party payors and the company's customers and distributors (including GPOs and IDNs); 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 price increases or otherwise, and the related continuity of the company's manufacturing and distribution and those of the company's suppliers; 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 company's ability to effectively develop, integrate or deploy artificial intelligence, machine learning and other emerging technologies into the company's products, services and operations in a manner that is compliant with existing and emerging regulations; the impact of physical effects of climate change, severe storms (including Hurricane Helene) and storm-related events, including the company's ability to resume production at its North Cove facility to pre-hurricane levels and to complete the remediation; changes to legislation and regulation and other governmental pressures in the 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 company's ability meet evolving and varied corporate responsibility expectations of the company's stakeholders, including compliance with new and emerging sustainability regulations; global regulatory, trade, and tax policies, including with respect to climate change and other sustainability matters; 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; 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; the outcome of pending or future litigation; and other risks discussed 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 excludes the impact of the Kidney Care manufacturing and supply agreement (MSA) not reflected in reportable segments, reflects the exit of IV Solutions in China in the Medical Products & Therapies reportable segment, and is calculated at constant currency rates. 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^{1,2}



- 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
- Completed the sale of the Kidney Care business and have already deployed over \$3B towards debt paydown
- Provided full year 2025 guidance calling for 4% - 5% operational sales growth and 16.5% adjusted operating margin
- North Cove is now producing at pre-hurricane levels

STRATEGIC ACTIONS TO DELIVER ENHANCED SHAREHOLDER VALUE NOW COMPLETE

Complete



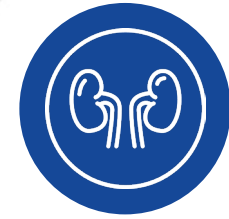
- Finalized operating model and in Q3 2023 began reporting across four verticalized global segments replacing prior structure of nine businesses operating across three geographic regions

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

Complete



- Completed the sale of the Kidney Care business, now known as Vantive, to Carlyle on Jan. 31, 2025 for approximately \$3.4 billion of net, after-tax proceeds, exceeding previous expectations of \$3.15 to \$3.25 billion

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



HEALTHCARE SYSTEMS & TECHNOLOGIES¹

Current Portfolio

Near Term Launches²

Future Launches

Care & Connectivity Solutions



TS7000
Robotic Table



Voalte
Nurse Call



Helux Pro
Surgical Light



Voalte Mobile



Progressa+



Centrella
Smart+



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



Connected
Overhead Lift
System



Med Surg
Enhancements
Fall & Pressure
Injury Prediction



Next Gen Visualization &
Clinical Communication

Front Line Care



BardyDX
CAM Patch



Thermometers
& Probe Covers



Connex
Spot Monitor



Disposable
Blood
Pressure Cuffs



PanOptic and
MacroView Plus



Volara /
Synclara
OLE System



Vest APX
Innovative Airway
Clearance Therapy



RetinaVue with
LumineticsGo
AI Diagnostic for
Diabetic Retinopathy



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



Next Generation
Digital Thermometer



Mobile Cardiac Telemetry
Continuous Monitoring and
Near Real-Time Diagnostics



Intelligent Diagnostics
Smart Connected Early
Detection Vision Screening



Clinical Hub
Diagnostic and
Communication Hub
for Physician Offices

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 VALUE^{1,2}



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



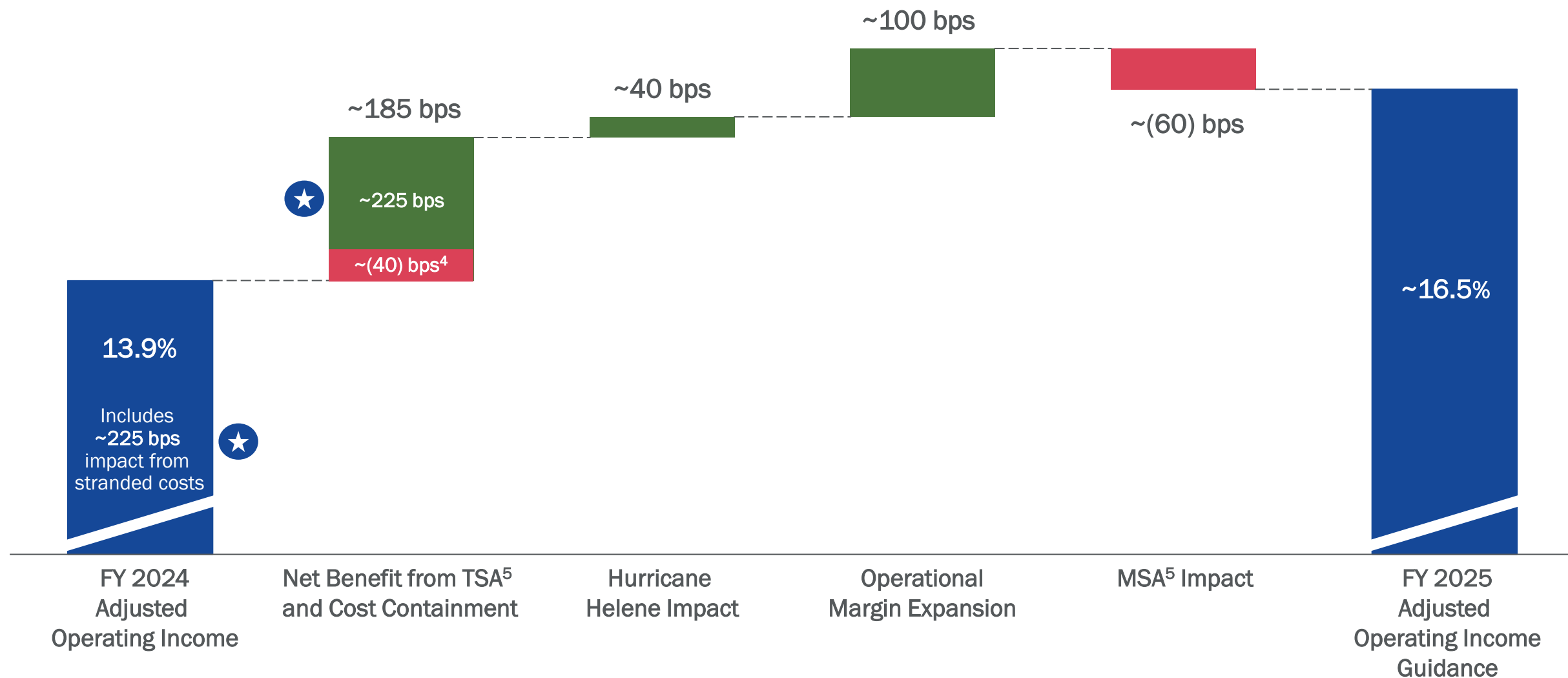
Capital

- 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 WAMGR³

BAXTER (CO) OPERATING INCOME BRIDGE^{1,2,3}



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
- Expecting to appoint new CEO leading Baxter into its next chapter focused on a more streamlined and agile company





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