



2020 Baxter

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Investor Conference

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Corporate Vice President and
President, Hospital Products

May 9, 2016

Baxter

Creating Significant Value In The Safe And Effective Preparation And Delivery Of Medication

Drug Preparation

Drug Delivery

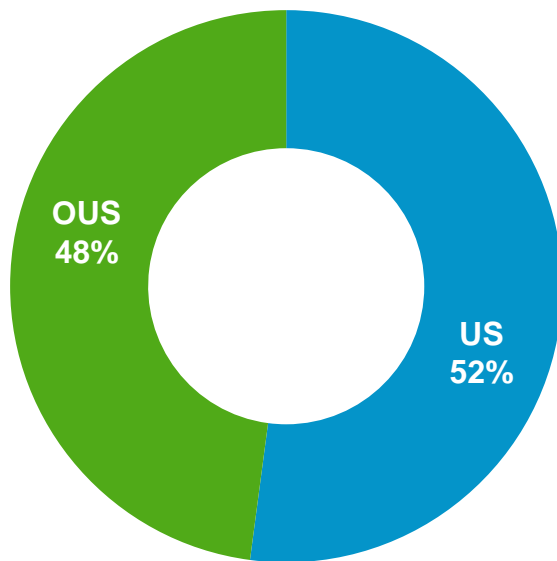


Baxter Value	Chemotherapy Agents	Reconstitution Devices		Needle-Free Connectors	Large Volume Infusion Pumps
	Premixed Drugs				
	Compounding Services			IV Administration Sets	
	Parenteral Nutrition Products				
	IV Solutions	Automation / Software	Closed System Flexible IV Bags		
		Elastomeric Devices			

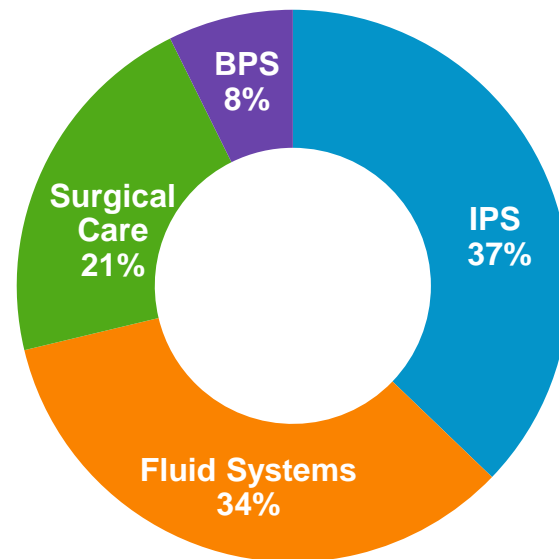
Global Hospital Products Leader

**2015
Sales
\$6.2B**

Geographic Mix



Product Mix



➤ **Innovator In Acute And Critical Care Products**

Global Hospital Products Leader

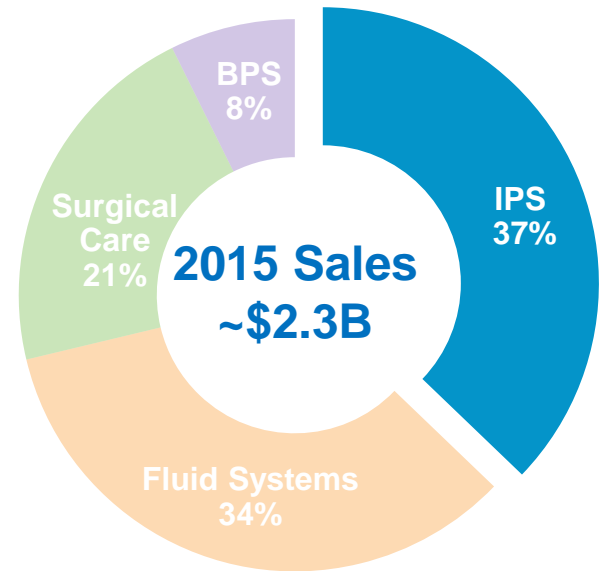
Integrated Pharmacy Solutions

Advancing Safety And Efficacy
In The Preparation And Delivery
Of IV Pharmaceuticals And
Parenteral Nutrition

➤ Innovator In Acute And Critical Care Products

Baxter

Product Mix



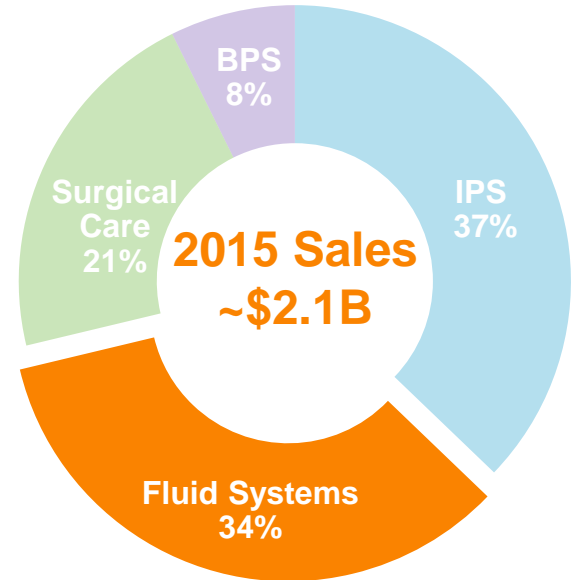
Global Hospital Products Leader

Fluid Systems

Driving Global Leadership In The
Safe And Effective Delivery
Of Infusion Therapy

➤ Innovator In Acute And Critical Care Products

Product Mix



Global Hospital Products Leader

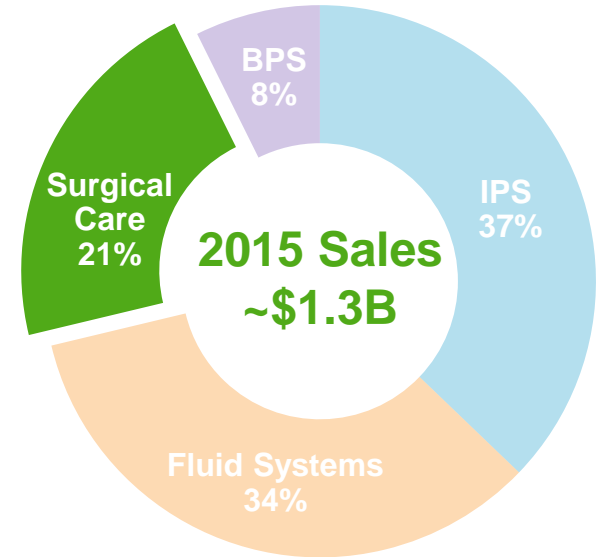
Surgical Care

Transforming Surgical Efficiency,
Safety And Recovery

➤ Innovator In Acute And Critical Care Products

Baxter

Product Mix



Global Hospital Products Leader

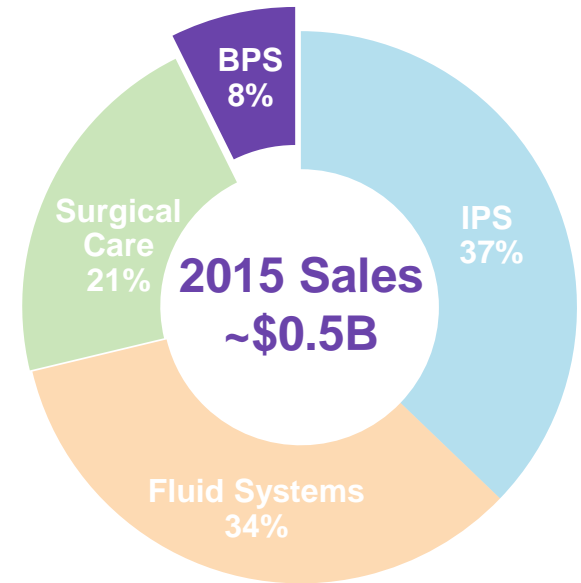
BioPharma Solutions

Providing World-Class Contract
Manufacturing Of Complex
Injectable Therapies

➤ Innovator In Acute And Critical Care Products

Baxter

Product Mix



Overview Of Integrated Pharmacy Solutions



Nutrition

Providing Life-Sustaining Products To Malnourished Patients

\$3.3B Market
3% - 4% Market Growth



Injectable Drugs

Eliminating Medication Errors And Increasing Pharmacy Efficiency

\$42B Market
9% - 10% Market Growth



Pharmacy Reconstitution And Accessories

Aiding Preparation Of Doses In The Pharmacy

\$0.6B Market
6% - 8% Market Growth



Sterile Drug Compounding

Improving IV Workflow And Automation In The Pharmacy

\$5B Market
4% - 6% Market Growth

Overview Of Fluid Systems



Infusion Devices

**Delivering Safe Infusion
Of IV Therapy**

**\$2B Market
3% - 4% Market Growth**



IV Access

Providing Safe IV Access

**\$4B Market
3% - 4% Market Growth**



Solutions

**Meeting Clinical Needs With
Essential, Lifesaving
Products**

**\$17B Market
4% - 6% Market Growth**

Overview Of Surgical Care



BioSurgery

Reducing Post-Surgical
Complications Due To Bleeds

**\$2B Hemostat And
Sealant Market**
2% - 3% Market Growth



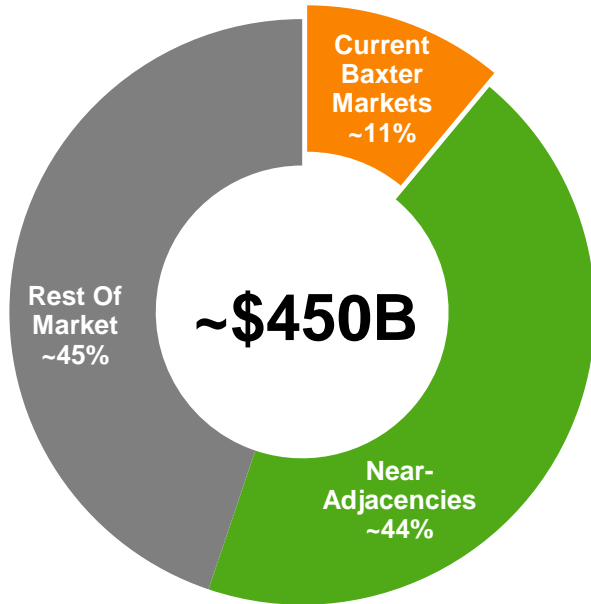
Anesthesia And Peri-Operative Care

Enhancing Surgical Safety
And Efficiency

\$1.3B Inhaled Gas Market
1% - 2% Market Growth

Hospital Products: Large And Growing Global Market

Global Market Size

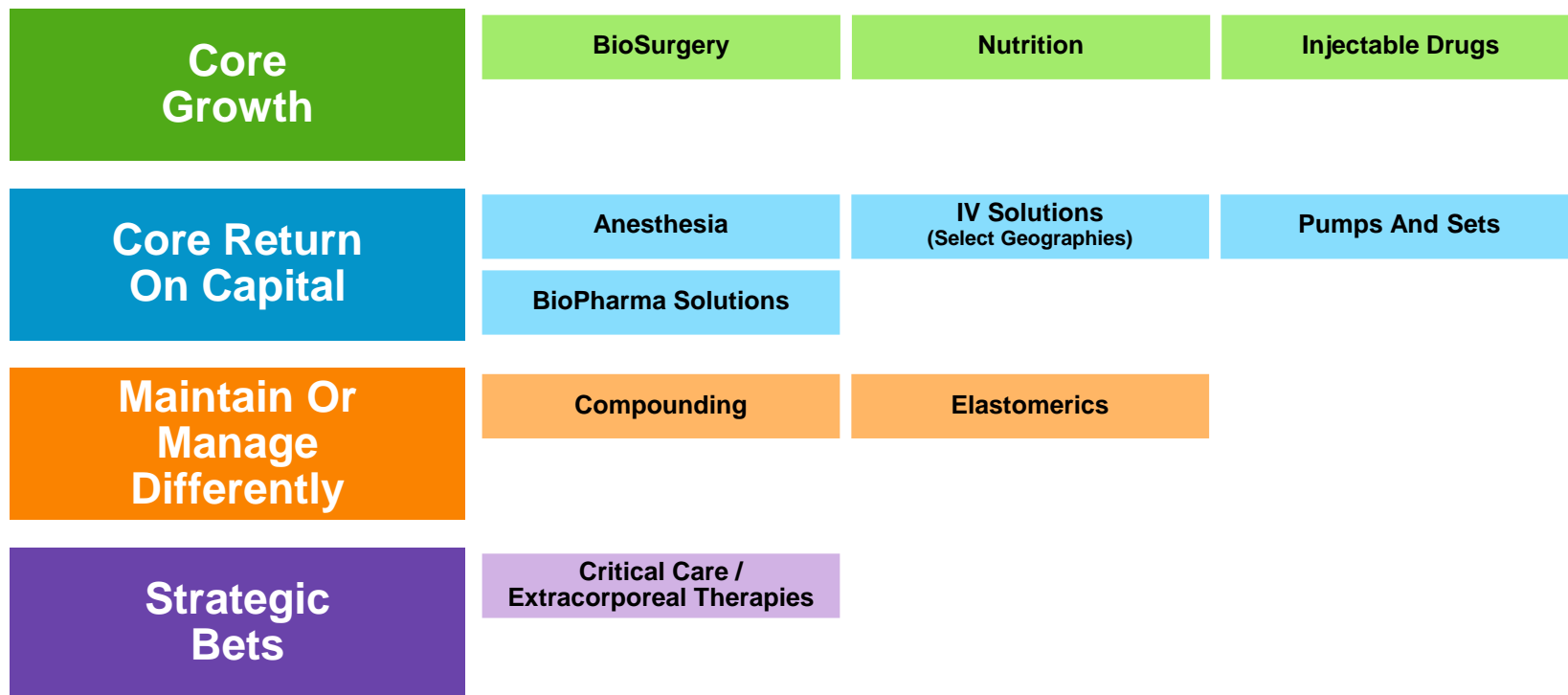


Market Characteristics

- Baxter Participates In Markets Of ~\$50B
- Near-Adjacencies Of ~\$200B Provide Significant Growth Opportunities, E.G.:
 - Generic Injectables
 - Surgical Products

➤ #1 Or #2 In Nearly Every Category In Which Baxter Participates

Hospital Products Strategic Business Groupings



Today's Focus

Key Growth Engines



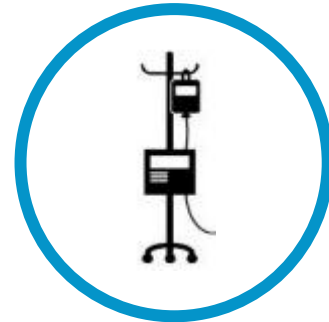
Nutrition



**Generic
Injectables**



BioSurgery



**Pumps And
Sets**

Core Growth

Core Return On Capital

Today's Focus

Key Growth Engines



Nutrition



**Generic
Injectables**



BioSurgery



**Pumps And
Sets**

Core Growth

Core Return On Capital

Providing Essential Nutrients



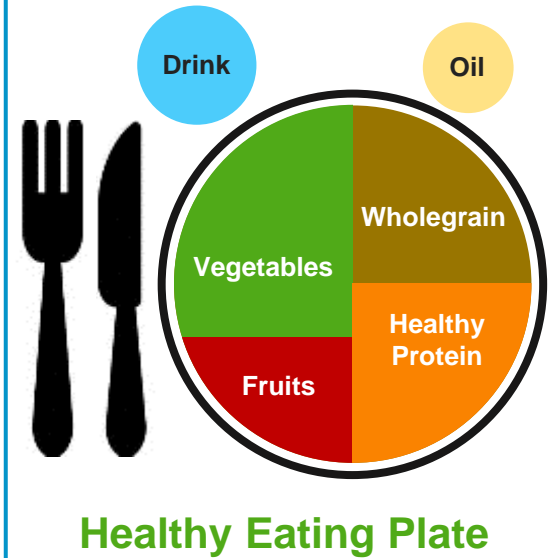
Macronutrients



Micronutrients



Parenteral Nutrition



➤ Advancing Efficacy Of Parenteral Nutrition

Leadership Position In The Hospital Pharmacy

Category Leader



Growth Opportunity



Category Leader



Category Leader





Market And Baxter Position

Large Global Market

Attractive Margins












Strategic Objectives

- Optimize Product Portfolio Globally
 - New Product Launches
 - Geographic Expansion
- Expand Nutrition Market
 - New Patient Segments
 - Undiagnosed Patients

Optimize Product Portfolio Globally



	Multi-Chamber Bags	Vitamins	Trace Elements	1 st Gen Lipids (Soy And MCT / LCT)	Olive Lipid	Fish Oil Lipid	Amino Acids	Compounder	Outsourced Compounding
Current Baxter Portfolio									
	✓	✓	✓	✓	✓		✓	✓	✓
New Products / Enhancements	✓		✓		✓	✓		✓	

✓ **Geographic Expansion**

✓ **New Products**



Impact Of Malnutrition

- Increase In **Length Of Hospital Stay** Of Up To 90%¹
- Increase In **Complications** Of 17% - 27%²
- Increase In **Cost Of Care** From 21% - 133%³
- Increase In **Mortality** Of 2.5 Times⁴



Parenteral Nutrition (PN)

➤ Up To 70% Of Hospitalized Patients Experience Malnutrition⁵

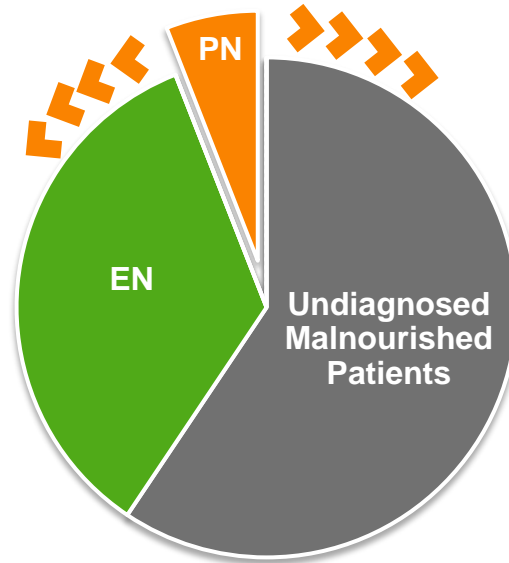
Expand Nutrition Market: Treating Malnourished Patients



New Treatment Modality

Benefit Of Parenteral Nutrition In Specific Patients

Supplementing When GI Tract Is Functioning, But Enteral Nutrition (EN) Is Inadequate To Meet Patient Needs



Therapeutic Benefit

Treating Undiagnosed Patients With Parenteral Nutrition

Estimated That 60% Of Patients That Could Benefit From Intervention Go Undiagnosed¹

➤ Increasing Parenteral Nutrition Utilization Can Add Significant Market Growth



Market Development

- Clinician Education
- Diagnostic Tools
 - Sarcopenia
- Health Economics And Outcomes Research (HEOR) Data To Support Increased Utilization
 - Specific Patient Populations

➤ Accelerate Adoption Of Parenteral Nutrition





Market And Baxter Position

\$3.3B Market

3% - 4% Market Growth



Strategic Objectives

- Optimize Product Portfolio Globally
- Expand Nutrition Market

➤ **Accelerate Therapy Adoption While Increasing Global Share**

Today's Focus

Key Growth Engines



Nutrition



**Generic
Injectables**



BioSurgery



Pumps And
Sets

Core Growth

Core Return On Capital

Generic Injectables: Growth Opportunity



Market And Baxter Position

Large, Rapidly Growing Market

Attractive Margins

Strong Existing Foundation



Strategic Objectives

- Expand The Core
 - New Premixes And Generic Oncology Molecules
- Enter Into Near-Adjacencies
 - Broad Line Of Generic Injectables

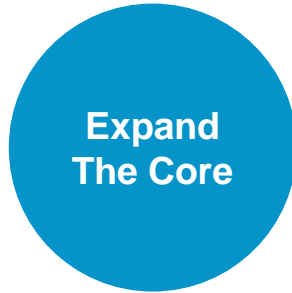
A Strong Foundation For Growth



Current



- Premix Drugs (RTU Bags)
- Oncology (Vials)
- Reconstitution Devices



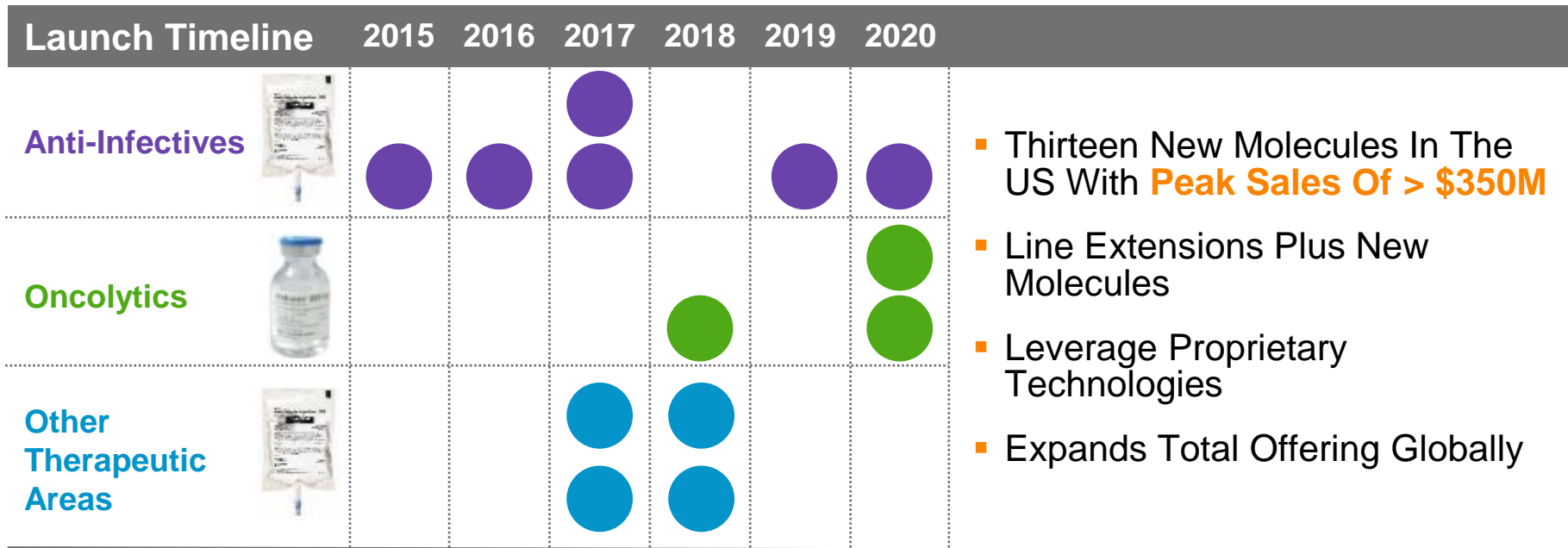
- New Premix And Oncology Products Via Partnership And Internal Development

Core Business Accelerating Growth

Market Leader In Premixed Drugs And Generic Oncology

- Enhanced Packaging Platform
- Proprietary Technology
- Cytotoxic Manufacturing Expertise

Expand The Core



- Thirteen New Molecules In The US With **Peak Sales Of > \$350M**
- Line Extensions Plus New Molecules
- Leverage Proprietary Technologies
- Expands Total Offering Globally

➤ Regular Cadence Of Launches

Build Upon Existing Capabilities



Commercial Footprint

Broad Pharmacy Portfolio

Secondary Portfolio Enablers



Operational Footprint



Manufacturing Expertise



R&D Capabilities



Channel Leader

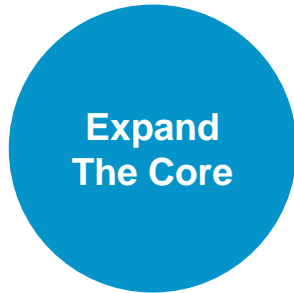
➤ Well-Positioned To Grow Generic Injectables Business

Expand Into Near-Adjacencies



Current

Future



- Premix Drugs (RTU bags)
- Oncology (Vials)
- Reconstitution Devices

- New Premix And Oncology Products Via Partnership And Internal Development

- Expand Portfolio To Further Align With Customer Needs
- Build On Channel Strength And Add Scale

- Strengthen Organizational And Infrastructure Capabilities To Extend Market Leadership Position

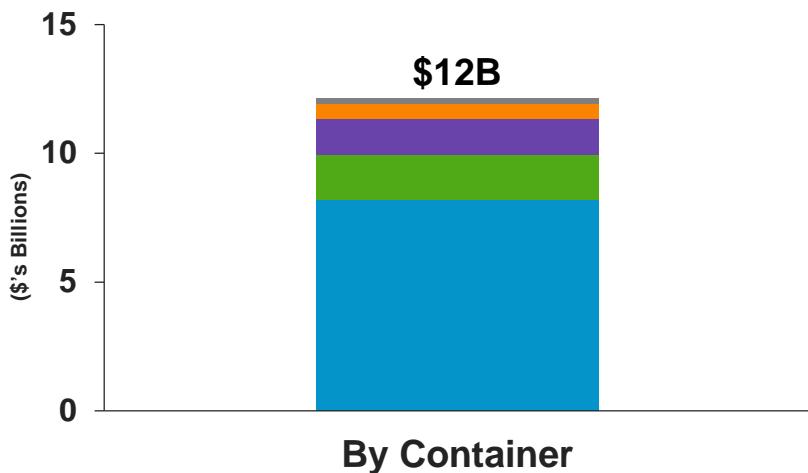
Core Business Accelerating Growth

Additional Products And Capabilities Strengthen And Grow The Business

Expand Into Near-Adjacencies

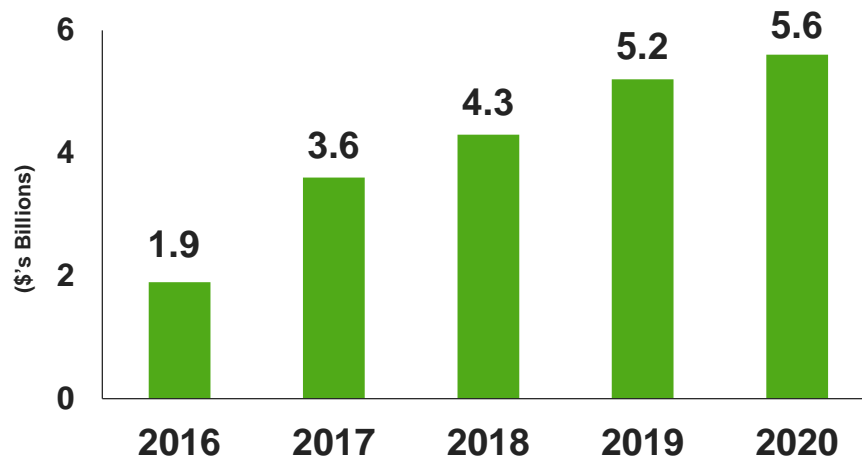


2015 US Generic Injectables Market



■ Vials ■ Premix ■ Prefilled Syringes ■ Ampoules ■ Other

Cumulative Value Of Off-Patent Injectables

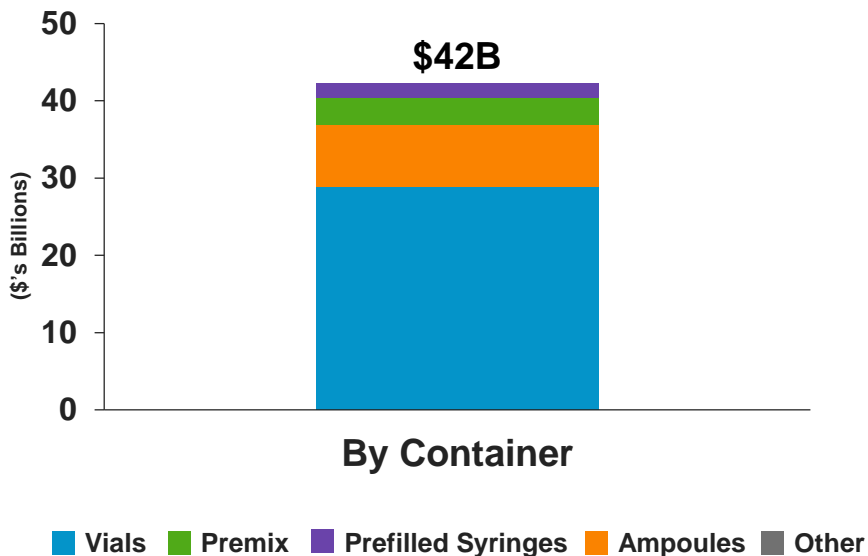


➤ US Market Historically Growing ~10% Annually

Attractive Global Market



2015 Global Generic Injectables Market



Attractive Category

- Natural Adjacency
- Accretive To Growth And Profitability
- Selectively Expand Outside The US

➤ **Selective Portfolio Expansion Outside Of The US**

Generic Injectables: Growth Opportunity



Market And Baxter Position

Large, Rapidly Growing Market

Attractive Margins

Strong Existing Foundation



Strategic Objectives

- Expand The Core
 - New Premixes And Generic Oncology Molecules
- Enter Into Near-Adjacencies
 - Broad Line Of Generic Injectables

➤ Aspiration Is To Become A Leader In Generic Injectable Market

Today's Focus

Key Growth Engines



Nutrition



Generic
Injectables



BioSurgery



Pumps And
Sets

Core Growth

Core Return On Capital



Market And Baxter Position

Highly Profitable Market

Significant Organic And Inorganic Growth Opportunities



Strategic Objectives

- Strengthen Existing Portfolio
 - Augment Existing Hemostasis Portfolio
 - Expand Indications On Current Products
 - Geographic Expansion
 - Stabilize Non-Core Products
- Increase Commercial Effectiveness

Core Hemostat And Sealant Portfolio



Hemostats And Sealants



- Gelatin Matrix + Thrombin For Fast And Effective Hemostasis

#1 Flowable Hemostat Globally



- Human Fibrinogen + Thrombin Based Hemostat For Diffuse Surface Areas

#1 Fibrin Sealant Globally



- Ready-To-Use Patch Flexible And Adherent Collagen Coated

Collagen Patch For Hemostasis And Sealing



- Oxidized Cellulose Hemostat

Basic Hemostat



- Synthetic Sealant For High Pressure Anastomotic Sites In CV Surgery

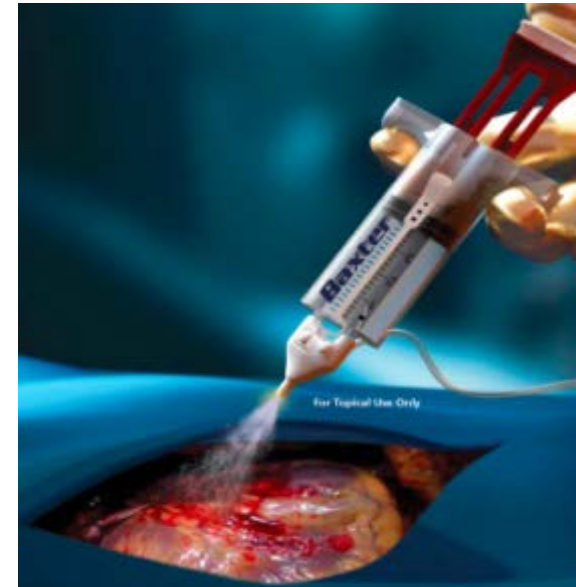
Synthetic Sealant For Complex CV Surgery

Strengthening Existing BioSurgery Portfolio



Broadening Product Reach

- Improve Existing Products
 - Ease Of Use
 - Handling
- Drive Penetration Through Expansion Of New Indications
 - FLOSEAL Japan
 - TISSEEL US
 - HEMOPATCH EU
- Expanding Geographic Reach
 - Right Portfolio For The Right Market



TISSEEL

➤ **Global Portfolio Augmentation Will Accelerate Growth**

Increase Commercial Effectiveness



Building A
Global
Leading
Commercial
Organization



Strong Access Management



Focused / On-Target Marketing Execution



Dedicated Sales Team With **OR Selling Skills**



Sales And Marketing **Alignment**



Best-In-Class Professional Training Program

➤ Strengthening Competencies And Capabilities Of Execution



Market And Baxter Position

**\$2B Hemostat And
Sealant Market**

2% - 3% Market Growth



Strategic Objectives

- Strengthen Existing Portfolio
- Increase Commercial Effectiveness

➤ **Aspiration To Become The Category Leader In BioSurgery**

Today's Focus

Key Growth Engines



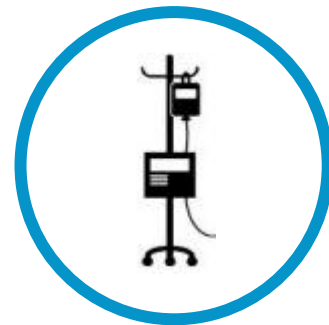
Nutrition



Generic
Injectables



BioSurgery



Pumps And
Sets

Core Growth

Core Return On Capital

IV Pump At The Center Of Safe Medication Delivery



RX Prep



Nutrition



Injectables



IV Solutions



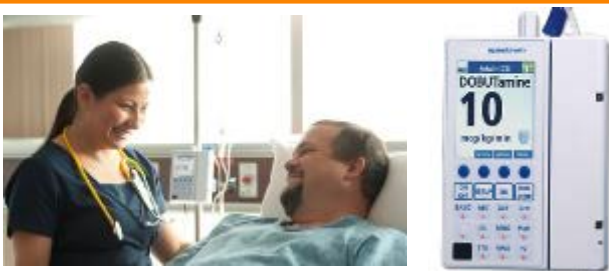
Infusion Pumps: Leadership Through Innovation



Market And Baxter Position

**Highly Successful
SIGMA SPECTRUM Launch**

**Building Leading
Technology Platform**



Strategic Objectives

- Establish Market Leadership With SIGMA SPECTRUM
 - Execute On Key Product Development Initiatives
- Advance New Pump Platform
 - Platform For Advanced Clinical Workflows

Establish Market Leadership With SIGMA SPECTRUM



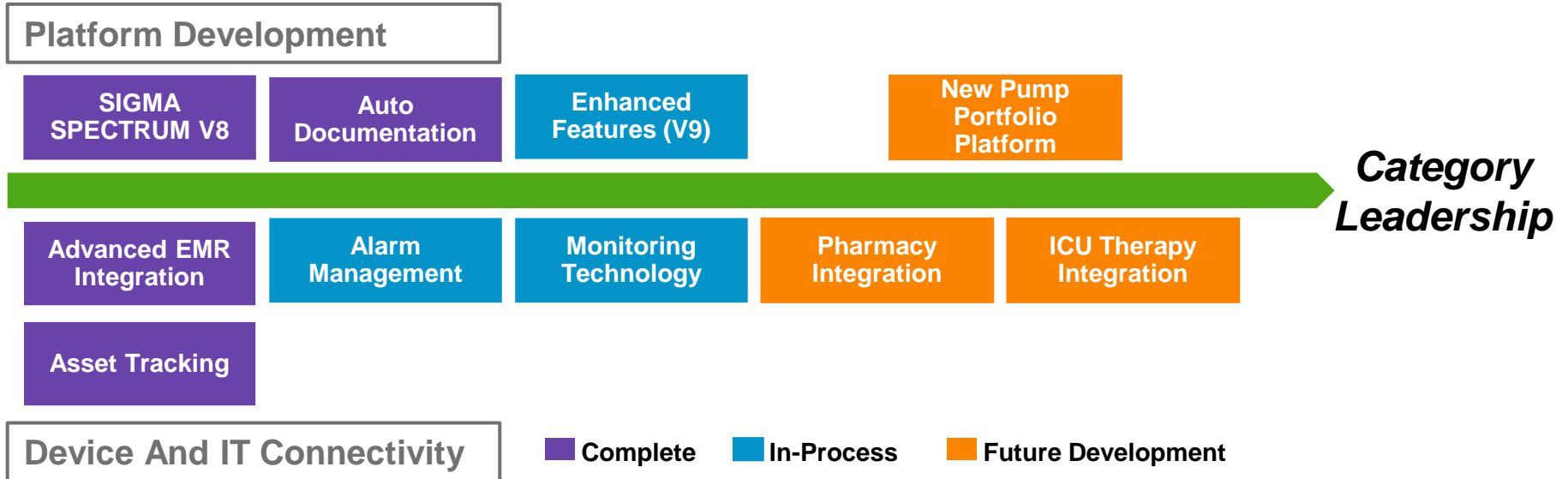
Clear Customer Value

- The Only Smart Pump With ***Built-In Titration Error Prevention***
- **~97% Compliance Rate** With Medication Safety Software
- Integrated With Electronic Medical Record (EMR) To Enable ***Auto-Documentation***
- Standard Set Technology
- The Only ***Smart Pump*** With Built-In ***Tagless Asset Tracking***



SIGMA SPECTRUM

Advancing Infusion Innovation



➤ Driving Market Share Growth

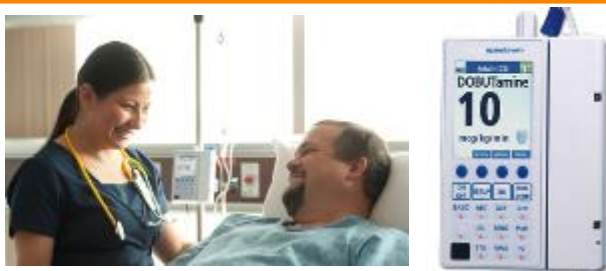
Infusion Pumps: Leadership Through Innovation



Market And Baxter Position

\$2B Market

3% - 4% Market Growth



Strategic Objectives

- Establish Market Leadership With SIGMA SPECTRUM
- Advance New Pump Platform

➤ **Regain Market Position In US And Selectively Grow Outside The US**

Key Takeaways

Essential, Life-Saving Products

Strong, Global Brand And Hospital Channel

Attractive Organic And Inorganic Opportunities To Accelerate Growth

➤ Patients At The Core Of What We Do





Baxter

2020



Investor Conference

New York City, New York

May 9, 2016

Baxter